

BLUE CRANE ROUTE MUNICIPALITY (EC102)



**DRAFT ANNUAL REPORT
2018/2019**

TO BE TABLED 30 AUGUST 2019

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A MAYOR'S FOREWORD

Section 127(2) of the Municipal Finance Management Act (MFAM) 56 of 2003 enjoins the Mayor to table in the municipal council the Annual Report for a financial year. The purpose of such a report is to provide a record of the activities of the municipality during the financial year in which it relates. It is therefore a great honour and privilege as the Mayor of Blue Crane Route Municipality (BCRM) to table this report as prescribed in the afore mentioned legislation. This report is tabled in recognition of our obligation as an accountable and transparent government. It reflects how we fared in the implementation of our Integrated Development Plan (IDP) and budget.

During the year under review, the Auditor General once again recognised some of our achievements in executing our budget by awarding us, for the fourth year in succession, an unqualified audit for 2017/18 financial year. However, there are still areas we need to improve on. These areas include non-compliance with legislation, SCM related, usefulness and measurability of certain key performance indicators, to a mention a few. We also need to keep our water and electricity losses within the regulated norm.

We received an amount of R92m from WSIG to improve our water infrastructure. Of this amount, R42,3m was used for water conservation and demand management. This included addressing water leaks and installing water meters in every household in the BCRM. We also committed an amount of R22,7m for the upgrading of Pearston Water Treatment Works; R15m for Pearston and R12,2m for Cookhouse Waste Water Treatment Works.

Of the R13 m MIG allocation; R3,2m was used for paving projects in Somerset East, Pearston and Cookhouse; R7,4m was allocated for the upgrading of Cookhouse Bulk Water; R2.6m allocated for Glen Avon Sports field and R600 000 for the Pearston Sports field.

All the above- mentioned projects were implemented to give effect to the Council decision to spend our MIG on "must have" as opposed to "nice to have". Despite the efforts to address historic backlog, we are still faced with challenges in respect of housing. Many of our people still live in squalor conditions. We still have informal settlements with no basic services. We are working with the Department of Human Settlement to address this challenge. Last year in November 2018, Council took a decision to suspend the Municipal Manager. This has affected the stability of administration. We had to appoint people on a 3 months basis to act in the position. The matter has not been concluded. In June 2019, we finally appointed Director: Technical Services after the position was vacant for almost 18 months after failing to attract suitable candidates.

I wish this opportunity to thank all the residents, visitors, Council and staff for the support during the 2018/19 financial. I look forward to improved service delivery through innovation and partnership in the year ahead. I am confident that we have the ability to turn things around for the betterment of our communities. As Madiba said: "It always seems impossible until it is done"



CLR. BONISILE MANXOWENI

MAYOR/SPEAKER

COMPONENT B: EXECUTIVE SUMMARY

1.1. ACTING MUNICIPAL MANAGER'S OVERVIEW

This Annual Report seeks to give an account of how we have performed as the municipality in the implementation of the Integrated Development Plan (IDP) and budget. It records some of the strides that were taken by the municipality in improving the lives of the communities we service. At the same time, it highlights some of the challenges that we encountered during the year under review.

During the financial year 2018/19 most of our grant funding was used to improve the infrastructure, in particular water and sanitation. The bulk of our funding was allocated to the most impoverished communities in the Blue Crane Route municipality, namely Cookhouse and Pearston. These communities also benefited in terms of jobs that were created. As a result of our investment in the infrastructure, the municipality witnessed a significant reduction in water losses.

As a municipality that is reliant of grants for funding, we continue to experience serious challenges. The top strategic risks facing the municipality include: unreliable IT system, non -existence of a 24-hour Fire Service, insufficient housing resources for emergency relocations and inability to deal with stray animals because of non - availability of funding to complete a pound facility.

May I take this opportunity to thank our Council and staff for their commitment and dedication in ensuring that the Blue Crane Route continues to be counted amongst functional municipalities, notwithstanding financial constraints



ADV. MANDISI PLANGA
ACTING MUNICIPAL MANAGER

MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

1.2.1 INTRODUCTION TO BACKGROUND DATA

This section includes an analysis of the demographic, socio-economic and infrastructure development dimensions. The statistical information was sourced from Stats SA 2001 to 2011 as well Community survey 2016. The district perspective is presented to provide a better understanding of the context within which the BCR municipality operates.

1.2.2 POPULATION AND ENVIRONMENTAL OVERVIEW: BLUE CRANE ROUTE LM MAP



The Blue Crane Route Municipality falls within the jurisdiction of the Sarah Baartman District Municipality. The Municipality's area is bordered on the North-east by Raymond Mhlaba Municipality, North-west of Inxuba Yethemba municipality, South of Makana Municipality and the South-west of Sundays River Valley municipality. The Blue Crane Route Municipality is located at 67 Nojoli Street, Somerset East.

The Blue Crane Route area comprises of the primary node of Somerset East which is the main commercial hub, two secondary service centres i.e Pearston and Cookhouse, and vast rural commercial farmlands. Per the Community survey that was conducted 2016, the municipality's population has moved from 36 002 to 36 063, 1.7% growth rate. The figures below reflect the findings per Census 2011, the community survey 2016 reflects the overall growth of the area not at ward level:

- Somerset East (Wards 2, 3 and 5 = 19172)
 - Town Area, Vosloodal, Chris Hani, Francisvale Aeroville, Clevedon, Mnandi, Old Location, New Brighton, Westview and Uitkeer.
- Cookhouse (Wards 1 and 6 = 10 898)
 - Bhongweni and Newtown
 - Golden Valley and Middleton rural nodes
 - Town area and Cradock place
- Pearston (Ward 4 = 5 933)
 - Town Area, Millenium Park, Nelsig and Khanyiso

Somerset East is the administrative seat of the municipality and situated at the foot of the Boschberg Mountain. Blue Crane Route Municipality has 6 Wards and the total of eleven (11) Councillors who constitute Council.

DEMOGRAPHIC PROFILE

Table 1: Population and extent of Area km²· EC, CDM and BLM

StatsSA 2011	Province of the Eastern Cape	Sarah Baartman District Municipality	Blue Crane Route Local Municipality
Total Population	6 562 053	450 584	36 002
Total Population (Community Survey 2016)	6 996 976	479 923	36 063
Area km ²	168 966 km ²	58 243.3 km ²	11 068.56 km ²

Source: StatsSA 2011

As indicated by the statistical information above, Blue Crane Route accounts for 8% of the Sarah Baartman District and 0.5% of the Provincial population. Geographically Blue Crane Route makes up 19% of the District municipality's landmass with a population density of 3.25 per km².

According to StatsSA -Census 2011, the total population of Blue Crane Route is 36 002, however as per the Community Survey conducted 2016, the population figures have increased from 36002 to 36063. This then therefore indicates that the growth rate of the population is very slow due to number of issues flowing from migration, death and birth rate.

The most significant roads passing through the area are the; **N10, R61, R63, and R390,**

The approximate distance between the towns is;

- Somerset East to Pearston : 50 Km.
- Somerset East to Cookhouse : 25 Km.
- Cookhouse to Pearston : 75km.

1.2.3 DEMOGRAPHICS PER WARD

Table 2: Age Distribution, Gender, Population Grouping and Head of Household

DEMOGRAPHICS								
Age distribution	00 - 04	05 - 09	10 - 14	15 - 34	35 - 64	65 - 85+	Ward Total	%
Ward 1	549	454	422	1555	1566	203	4749	13.2
Ward 2	814	583	591	1882	2265	611	6747	18.7
Ward 3	705	671	601	2185	2320	498	6979	19.4
Ward 4	661	668	570	1788	1817	428	5933	16.5
Ward 5	542	526	475	1628	1804	470	5446	15.1

Ward 6	686	550	449	2068	2083	313	6148	17.1
Grand Total BCR	3956	3453	3108	11106	11856	2523	36002	100
Gender	Male	%	Female	%	Total			
Ward 1	2390	50.3	2359	49.7	4749			
Ward 2	3289	48.7	3458	51.3	6747			
Ward 3	3311	47.4	3668	52.6	6979			
Ward 4	2938	49.5	2995	50.5	5933			
Ward 5	2547	46.8	2899	53.2	5446			
Ward 6	3206	52.1	2943	47.9	6149			
Grand Total BCR	17680	49.1	18322	50.9	36002			
Population Group	Black	Coloured	White	Indian/ Asian	Other	Ward Total		
Ward 1	3278	1143	289	10	28	4749		
Ward 2	3169	2370	1128	37	44	6747		
Ward 3	6493	378	68	19	21	6979		
Ward 4	2211	3365	287	26	43	5933		
Ward 5	1813	3387	203	15	28	5446		
Ward 6	4283	1246	479	10	131	6148		
Grand Total BCR	21247	11888	2453	118	295	36002		
Head of Household:	Male	%	Female	%	Total			
Gender					Ward			
Ward 1	823	70.1	351	29.9	1174			

Ward 2	1048	56.8	797	43.2	1845			
Ward 3	1161	57.5	859	42.5	2019			
Ward 4	914	57.6	671	42.3	1586			
Ward 5	769	51.7	719	48.3	1488			
Ward 6	1212	73.5	436	26.4	1649			
Grand Total BCR	5927	60.7	3834	39.3	9761			

Source: StatsSA 2011

1.2.4 DEMOGRAPHICS TRENDS

Table 3: Age distribution, Gender, Population Grouping and Head of Household

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
Blue Crane Route Total Population	35407	36002		0.17	36063	1.7%
Age distribution	35 005	36 003				
0-14	10 293	10517	29.2	0.2	11825	2.34
15-64	22 485	22962	63.8	0.2	21892	-0.96
65+	2 227	2524	7.0	1.3	2347	-1.45
Gender	35 003	36 002			36063	
Male	16806	17680	49.1	0.5	-	-
Female	18197	18322	50.9	0.1	-	-
Population	35 003	36 001				

DEMOGRAPHICS	STATSSA 2001	STATSSA 2011	%	GROWTH % p.a.	COMSURVEY 2016	GROWTH %
Blue Crane Route Total Population	35407	36002		0.17	36063	1.7%
Grouping						
Black	20861	21247	59.0	0.19	-	-
Coloured	11515	11888	33.0	0.32	-	-
White	2606	2453	6.8	-0.6	-	-
Indian/Asian	21	118	0.3	46.2	-	-
Other	0	295	0.8	-	-	-
Head of Household: Gender	9 595	9 761				
Male	6 486	5 927	60.7	-0.9	-	-
Female	3 109	3 834	39.3	2.3	-	-

Source: StatsSA

StatsSA 2011 reflects that 29% of the population are young and under 15 year of age, which requires intergovernmental planning efforts to jointly focus on improved education and providing sport and recreation facilities. Sport plays an important part in youth development and relevant role-players should form partnerships to promote sport initiatives and youth programmes in Blue Crane Route. The high number of children could also be an indication of a dependency on child support grants.

According to StatsSA 2011 a 7% increase has occurred, from 32% to 39%, in respect of female headed households between 2001 and 2011. The increase is relatively high considering that the population growth rate has been very low over a 10-year period and the male to female sex ratio has only risen marginally. This could be reflective of males migrating in search of employment opportunities outside of the municipal area or the occurrence of single mothers deciding to create a basis for their young with the option of marriage later in life.

A large segment (50.1% -StatsSA 2011) of the population speaks IsiXhosa, followed by 42.2% communicating in Afrikaans. Black South Africans account for 59% of the population, followed by 33% Coloured South Africans. Stats 2011 also indicates that 95.5% of the population were born in South Africa.

1.2.5 WATER AND SANITATION PROVISION

Table 4: Water and Sanitation Provision

BASIC SERVICE / INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595	9 761		1.7%	
Sanitation	9 470	9 760		3.06%	
Flush toilets	4439	7856	80.5	7.7	88.4
Flush septic tank	390	395	4.0	0.1	-
Chemical	244	25	0.3	-9.0	0.1
VIP	127	83	0.9	-3.5	-
Pit latrines without ventilation	752	327	3.4	-5.7	4.1
Bucket latrine	1921	277	2.8	-8.6	2.9
None	1597	617	6.3	-6.1	3.5
Other		180	1.8	-	-
Water – Access to piped water	8 530	9 740		12.4%	91.2

Household	2289	5022	51.5	11.94	-
In yard	5027	3903	40.0	-2.24	-
Community stand <200 m	526	323	3.3	-3.86	-
Community Stand >200m	688	172	1.7	-7.50	-
No access to piped (tap) water		340	3.5		8.8
Water – Source of water		9 760			
Water scheme operated by municipality or other WSP		7830	80.2		-
Borehole	128	955	9.8	64.6	-
Spring	5	30	0.3	50.0	-
Rain tank	196	275	2.8	4.0	-
Dam/stagnant water	207	317	3.2	5.3	-
River/stream	201	53	0.5	-7.4	-
Water vendor	17	31	0.3	8.2	-
Water Tanker		132	1.4	-2.7	-
Other	180	137	1.4		-

Source: StatsSA 2011 and CS 2016

The level of waterborne system/connection shows a growth of 7.7% p.a. over a period of 10 years (2001 to 2011). The number of bucket latrines reflects a negative growth of -8.6% p.a. over the same period which in effect means that bucket toilets have been reduced by 85.6% from 20.3% in 2001 to 2.8% in 2011. The standard and provision of sanitation and water shows a significant improvement from 2001 to 2011. The BCRM has a total of 8929 houses which has access to drinking water and basic level of sanitation. Three hundred and fifty (350) households which

make (4%) of the households are people living in the informal settlements, their access to sanitation is in a form of bucket system and have access to drinking water in a form of community stand pipes which are within 200m walking distance from the households.

1.2.6 ELECTRICITY

Table 5: Energy for Lighting

BASIC SERVICE INFRASTRUCTURE	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH p.a.	BLUE CRANE ROUTE AREA (2016)
Total number of households	9 595	9 761			
Energy (Access)	9 470	9 760		3.06%	
Electricity	6 161	8 486	86.9	3.8	88.9
Gas	23	17	0.2	-2.6	-
Paraffin	2 135	306	3.1	-8.6	-
Candles	1 057	876	9.0	-1.7	-
Solar	34	36	0.4	0.6	-
Other	60	0	0.0	-10.0	11.1
None		39	0.4		-

Source: StatsSA 2011: Community Survey 2016

Access to electricity has improved from 65.1% in 2001 to 86.9% in 2011. Community survey conducted in 2016 also shows a slight change from 86.9% to 88.9%. The dependency on paraffin and candles were reduced from 22.5% and 11.2% in 2001 to 3.1% and 9.0% in 2011. BCRM also supply's farm areas that are >100km radius. The current backlog in those different lines are the rotten / old network, with falling poles due to its life span. Regular routine maintenance is done but due financial constraint this exercise is not improving in most areas but in some areas, it is improving. There are constant power failures occurring in those lines. Electricity is supplied to all schools, hospital (Andre Vosloo) and Somerset East correction services.

1.2.7 SOLID WASTE MANAGEMENT

Table 6: Refuse Removal Services

BASIC SERVICE INFRASTRUCTURE	BLUE ROUTE (STATSSA 2011)	CRANE AREA (STATSSA 2011)	BLUE ROUTE (STATSSA 2016)	CRANE AREA (STATSSA 2016)	%	GROWTH P.A	BLUE CRANE ROUTE AREA (CS 2016) %
Total number of households	9 595		9 761				
Refuse Removal	9 467		9 761		%	3.10%	
How often by municipality?							
a) @ least once a week	6351		7842		80.3	2.35	86.1
b) Less often	28		51		0.5	8.21	0.4
How often is refuse bags provided	Once in 3 months		Once in 3 months				
Mode Disposal							
i) Communal dumping	59		78		0.8	3.22	4.3
ii) Own dump	2440		1444		14.8	-4.08	6.4
iii) No disposal	589		195		2.0	-6.69	2.6
Other	0		151		1.5		0.1
No of Licensed Landfill sites			3				
No of un-licensed landfill sites			0				

Source: StatsSA 2011 and CS 2016

In 2011, 80.3% of households had access to a weekly refuse removal service as opposed to only 67.1% in 2001. In 2016 it has increased to 86.1. In BCM all residential areas have access to refuse removal services. There is a fixed schedule for household and business refuse collection. Both household and business refuse is collected once a week while garden refuse is collected at least once in three - four weeks even though there are instances where collection of garden refuse takes longer than the stipulated timeframes due to aging fleet or mechanical breakdowns. During those instances it gets collected once a month. A partnership has been developed with Community Works Programs (CWP) to conduct on-going clean up campaigns and beautification of spots where illegal dumping has been identified. Seventy (70) casuals have been appointed for this financial

year for a period of 6 months under the EPWP grant to assist with the cleaning of towns. Since this partnership was formed, there has been a significant reduction of illegal dumping and in all spots where beautification had been done there is improvement in environmental awareness amongst the residents as they no longer dump on those spots.

1.2.8 ECONOMIC ANALYSIS

Local economic development is vital to the future development of the BCRM; the economy of this Municipality is based primarily on agriculture. In essence the activities that dominate are: Agriculture: Intensive Farming operations (Cash crops/ Lucerne production, dairy's, etc) Extensive farming operations: Cattle & Goat farming, game farming. Agriculture dominates the district's economy, contributing 28% of all value added and amounting to 41% of formal employment.

Summary of the district's agricultural sector for 2017:

Doing well: Stone and Deciduous Fruit, Citrus Fruit, Wool and Mohair, Vegetables

Sectors with Potential: Chicory, honeybush

Sectors with Challenges: Poultry, pineapples

Largest threats: Climate change, localised droughts, cheap imports, changing economic climate in South Africa

Small-stock farming predominates in the dry Karoo interior. This is the centre of wool and mohair farming in the Eastern Cape. Karoo mutton is known for its high quality and is also exported. Cattle and dairy farming are dominant in the areas around Cookhouse. Stock production has seen a decline in the past decade, primarily as a result of game farm establishment and the expansion of the Addo National Elephant Park.

Game reserves are now a major industry within the district and contribute to the other prominent economic sector of the area, namely tourism.

The BCRM has since the inception of the CDA, strived to broaden the local economy through the establishment of a strong industrial sector. Initial studies, exploring the options of rural town local economic expansion's, confirmed that small rural towns can only be sustainable in the long term through the establishment of a strong industrial sector. The local economy as demonstrated above produces many agricultural products that is exported out of town (something's the country) without any value adding to the products. The development of a local industrial cluster will be the starting point of providing adequate facilities to potential investors to establish new factories, focusing on the value adding opportunities in the municipal region.

1.2.9 SOCIO ECONOMIC DIMENSION

Table 7. Socio Economic

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE (STATSSA 2001)	BLUE CRANE AREA (STATSSA 2011)	%	GROWTH p.a.	%
Total Population					
No disability/Unspecified	32292	28152	87.85	-1.28	
Sight	571	2294	7.16	30.18	
Hearing	221	350	1.09	5.84	
Communication	78	82	0.26	0.51	
Physical / Walking	1118	465	1.45	-5.84	
Intellectual / Remembering	133	265	0.83	9.92	
Emotional / Self Care	298	438	1.37	4.70	
Multiple disability	300	0	0.00	-10.00	
Not applicable		3956			
	35 011	36 002			

Source: StatsSA 2011

StatsSA indicates that there has been an overall decline of -1.28% p.a. in the number of population with disabilities. People with a sight disability have increased drastically by 5.6% from 1.6% in 2001 to 7.2 in 2011.

Table 8: Income Category

SOCIO ECONOMIC ANALYSIS	BLUE ROUTE (STATSSA 2001)	CRANE AREA (STATSSA 2001)	BLUE ROUTE (STATSSA 2011)	CRANE AREA (STATSSA 2011)	%	GROWTH p.a.	%
Total Population							
Income 15 to 65							
No Income	180		10 504		46.09	573.6	
R1 – R400	3 454		1 254		5.50	-6.4	
R401 – R800	1 557		1 198		5.26	-2.3	
R801 - R1600	929		4 924		21.61	43.0	
R1601 – R3200	794		1 582		6.94	9.9	
R 3 201 - R 6 400	566		933		4.09	6.5	
R 6 401 - R 12 800	239		763		3.35	21.9	
R 12 801 - R 25 600	58		489		2.15	74.3	
R 25 601 - R 51 200	27		101		0.44	27.4	
R 51 201 - R 102 400	32		30		0.13	-0.6	
R 102 401 - R 204 800	7		28		0.12	30.0	
R 204 801 or more	3		12		0.05	30.0	
Unspecified	0		973		4.27		
	7 846		22 791				

Source: StatsSA

StatsSA 2011 reflects that poverty levels are high with 46.1% of the population not receiving any income, and a further 10.8% earn less than R801 per month, therefore technically falling under the poverty line. This is

exacerbated by the fact that 65.7% of the potential labour force are not working. The population lack buying power which makes it difficult to exploit local economic development opportunities and the situation implies a high dependency on social grants. Interventions must be created and expedited to support poor communities.

The potential economic active labour force accounts for 60.2% of the total population which reinforces the need to boost the economy and stimulate job growth.

Table 9: Labour Status

SOCIO ECONOMIC ANALYSIS	BLUE ROUTE (STATSSA 2001)	CRANE AREA (STATSSA 2011)	BLUE ROUTE (STATSSA 2011)	CRANE AREA (STATSSA 2011)	%	GROWTH % p.a.
Total Population						
Labour status 15 to 65						
Employed	7839		7434		34.3	-0.52
Unemployed	5355		3300		15.2	-3.84
Non-economically active	9471		10935		50.5	1.55
	22665		21669			

Source: StatsSA

StatsSA indicates that 15.2% of the potential workforce is unemployed and a further 50.5% are not economically active in 2011. The remaining 34.3% of the labour force is employed. The overall dependency ratio is 56.8 persons per hundred population of working age. StatsSA 2011 also concludes that 1 953 of the youth in Blue Crane Route are unemployed.

Table 10: Education Levels 20 year +

SOCIO ECONOMIC ANALYSIS	BLUE CRANE ROUTE AREA (STATSSA 2001)	BLUE CRANE ROUTE AREA (STATSSA 2011)	%	GROWTH % p.a.	BLUE CRANE ROUTE AREA (Community Survey 2016) %
Total Population					
Level of education 20 +					
No schooling	4 088	2 592	8.24	-3.7	6.3
Some primary	5 956	10 895	34.65	8.3	21.7
Complete primary	1 977	2 516	8.00	2.7	9.9
Some secondary	5 361	9 577	30.46	7.9	38.9
Std 10/Grade 12	2 437	4 420	14.06	8.1	20.7
Higher	1 075	1 392	4.43	2.9	2.5
Unspecified	0	49	0.16		0

Source: StatsSA and CS 2016

Stats SA 2011 shows that 8.24% of the population over 20 years of age have not received any schooling. The figure is moderate and furthermore shows a decline or negative growth of -36.6% for the past decade (since 2001), when 4 088 or 19.6% of the population over 20 years had not undergone any schooling.

1.2.10 POWERS AND FUNCTIONS OF THE MUNICIPALITY

The municipal mandate stems from the section 152 and 156 of the constitutions (Act 108 of 1996) which assigns powers and functions drawing from the schedules 4b & 5b. In terms of the schedules part B 4 and 5 of the constitution, local government has the following functions.

Schedule 4 Part B	Schedule 5 Part B
Powers exercised by the BCRM	Powers exercised by the BCRM
• Air pollution • Building regulations • Child care facilities • Electricity and gas reticulation • Firefighting services • Local tourism • Municipal airports • Municipal planning • Municipal health services • Municipal public transport • Municipal public works • Stormwater management systems in built-up areas • Trading regulations • Water and sanitation services	• Beaches and amusement facilities • Billboards and the display of advertisements in public places • Cemeteries, funeral parlours and crematoria • Cleansing • Control of public nuisances • Control of undertakings that sell liquor to the public • Facilities for the accommodation, care and burial of animals • Fencing and fences • Licensing of dogs • Licensing and control of undertakings that sell food to the public • Local amenities • Local sport facilities • Markets • Municipal abattoirs • Municipal parks and recreation • Municipal roads • Noise pollution • Pounds • Public places • Refuse removal, refuse dumps and solid waste

	disposal • Street trading • Street lighting • Traffic and parking
Powers not exercised by the BCRM	Powers not exercised by the BCRM
Pontoons, ferries, jetties, piers and harbours,	

1.3 FINANCIAL HEALTH OVERVIEW

The municipality aims to provide services to the community that are affordable, yet at the same time ensuring that we remain financially sustainable. The municipality has been limiting rates at 10% and other tariffs and fees increased by 6% every year for the past five years until the Revenue Enhancement Strategy was developed and approved. This strategy pointed out, amongst other things, that the municipality needed to ensure that their billing is complete and accurate; the tariffs must be adjusted to be more cost reflective; ensure that good quality services are delivered through these tariffs; and new revenue streams / fees must be explored as a matter of urgency to improve our internal revenue base. As a result, the municipality started to increase the property rates by 10% from 2015/16 to 2018/2019. The higher tariff increase could be considered to have been affected a little late as the municipality's cash surpluses have reduced drastically and the current budgets not being fully cash-backed. Despite the challenges, the municipality maintained positive cash balances throughout the financial year and closed the year off with a positive cash balance of R 27,623,543. The municipality should continue to cut costs and raise new revenue to improve the poor cost coverage and liquidity ratios.

1.4 ORGANISATIONAL DEVELOPMENT OVERVIEW

During the year under review, the BCRM had a workforce of 336 permanent employees, 36 temporary employees and 56 Section 56 appointments. The year under review saw remarkable progress in consultation sessions with all relevant stakeholders on the review of the staff establishment with expert support from the Sarah Baartman District Municipality. The revised staff establishment will certainly be approved by Council in the ensuing financial year.

To ensure uninterrupted supply of human resources, the Municipality established a database of job-seekers in the Blue Crane Route area, during this year and has through public participation, promoted awareness on this development throughout its area of jurisdiction.

1.5 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 0 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T 1.7.1		

COMMENT ON THE ANNUAL REPORT PROCESS:

The year under review has been a relatively successful but challenging year in terms of ensuring that the municipality complies with good governance principles by ensuring compliance with laws and regulations and also ensuring adherence to the annual report processes in terms deadlines

CHAPTER 2 – GOVERNANCE

2.1 INTRODUCTION TO GOVERNANCE

The Blue Crane Route Municipality is a municipality with a plenary executive system combined with a ward participatory system and is governed by a plenary system of governance. This in effect means that the decisions are taken at Council meetings through the process of resolving and or approving recommendations made at Standing Committees meetings level.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1.1 INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

The Constitution section 151 (3) states that the council of a municipality has the right to govern on its own initiative, the local government affairs of the local community. Due to the nature of the municipality, Standing Committees and Council meetings are held bi-monthly.

The following are the Standing Committees namely;

- Finance Standing Committee (Chaired by Cllr Manxoweni)
- Corporate Services Standing Committee (Chaired by Cllr Kwatsha)
- Technical Services Standing Committee (Chaired by Cllr Grootboom)
- Community Services Standing Committee. (Chaired by Cllr Hufkie)

Blue Crane Route Municipality has established a Municipal Public Account Committee (MPAC) which is an Oversight Committee. MPAC is comprised of both ward and PR councillors, with Councillor Nkonyeni as the Chairperson. MPAC provides Council with comments and recommendations on the Annual Report.

POLITICAL STRUCTURE**MAYOR /SPEAKER**

Cllr Bonisile Manxoweni

CHIEF WHIP

Cllr Neliswa Yantolo Nkonyeni

2.2 POLITICAL GOVERNANCE

Blue Crane Route Municipality is comprised of eleven (11) Councilors; six (6) councilors are ward councilors, and five (5) proportional representative councilors. The Mayor/Speaker is a proportional representation (PR) Councillor. The ward councilors are responsible for the wards they are representing, and PR councilors provide support to wards.

POLITICAL DECISION-TAKING

Political decisions and resolution are taken at the Council meeting. Decisions are taken by consensus or vote through majority of the councilors present at the meeting.

2.3 ADMINISTRATIVE GOVERNANCE

The BCRM has the following Directorates in its organizational structure. These are i.e. Office of the Municipal Manager, Corporate Services, Community Services, Finance and Technical Services

TOP ADMINISTRATIVE STRUCTURE	Function
TIER 1 MUNICIPAL MANAGER (Mr Thabiso Klaas)	Oversee the functioning and performance of the following Directorates, i.e
DIRECTOR CORPORATE SERVICES: (Mrs Lineo Nkanjeni) DIRECTOR: title	• Corporate Services • Finance • Community Services • Technical and Infrastructure Services • Local Economic Development • Administration • Human Resources • Legal Services • Town Planning • ICT • Customer Services
DIRECTOR: FINANCE (Mr Nigel Delo)	• Income and Expenditure • Financial Reporting • Assets and Supply Chain Management
DIRECTOR: COMMUNITY SERVICES (Mr Mandisi Planga)	• Parks and Recreation • Environmental Health And cleansing • Fire and Rescue Services • Traffic Services • Environmental Management

DIRECTOR: TECHNICAL SERVICES

(Mr Ayanda Gaji)

- Roads and Stormwater
- Projects Management Unit
- Electricity
- Water Services
- Human Settlements

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.4 INTRODUCTION TO CO-OPERATIVE GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The concept of Integrated Development Planning (IDP) is embedded on the principle of co-operation amongst various spheres of government for the purpose of providing better co-ordination and services to the community. It is in this context that co-operative governance and inter-governmental relations becomes of utmost importance. The Blue Crane Route Municipality has a relatively functional Inter-Governmental Relations Forum (IGR). The IGR meetings are held on a quarterly basis and these are chaired by the Mayor. It is in these meetings that Sector Departments are able to share their development plans with the Blue Crane Route Municipality. The challenge going forward is the consistent absence by some departments in these IGR meetings.

2.4.1 INTERGOVERNMENTAL RELATIONS

The BCRM continues to work well with following national departments and associations and enjoys good relations. These are i.e

- South African Local Government Association (SALGA)
- Dept of Co-operative and Traditional Affairs (COGTA)

- National and Provincial Treasury
- Sarah Baartman District Municipality
- Dept of Trade and Industry
- Dept of Rural Development and Land Reform
- Dept of Energy
- Dept of Water and Sanitation

2.4.2 PROVINCIAL INTERGOVERNMENTAL STRUCTURE

The municipality continues to participate and have good relations on matters of mutual interest with various provincial government departments. These are i.e

- Office of the Premier (OTP)
- Premiers Co-ordinating Committee
- Dept of Social Development
- COGTA EC
- COGTA MUNIMEC
- Provincial Treasury
- Department of Human Settlements
- SALGA EC

2.4.3 RELATIONSHIPS WITH MUNICIPAL ENTITIES

The BCRM has good relations with the Cacadu Development Agency (CDA). These relations were strengthened by the decision of the BCRM Council to dis-establish its previous entity, the BCDA. Currently the CDA oversees the co-ordination and implementation of BCRM Local Economic Developments programmes. This is managed through a Service Level Agreement (SLA) signed between the two parties.

2.4.4 DISTRICT INTERGOVERNMENTAL STRUCTURES

The municipality enjoys good relations with our District Municipality, the Sarah Baartman District Municipality. Councillor Grootboom is the BCRM Representative in the District Municipality. We participate in the following district IGR structures, these are i.e.

- District Mayor's Forum
- District MM's Forum
- DWIF
- District PMS Forum

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.5 OVERVIEW OF PUBLIC ACCOUNTABILITY AND PARTICIPATION

Public accountability and participation play a very important and cardinal role in the promotion of democracy in local government. It is in this regard that during the year under review, the BCRM reviewed its Public Participation Strategy which was later workshopped with councillors and officials. The reviewed Public Participation Strategy was subsequently adopted by the BCRM Council. The BCRM uses the Ward Based Planning model to engage the community on matters related to the review of the IDP. This places public accountability and participation at the basic level of community engagements.

2.6 PUBLIC MEETINGS

Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Issue addressed (Yes/No)	Dates and manner of feedback given to community
IDP/ Budget review - Ward 2 (Note: These serve as feedback/accounting to the BCRM general public on Municipal performance against the Ward-Based plans which were put in place in 2017)	25-Sep-18	3	7	81	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 1 & 6	26-Sep-18	3	6	68	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 3	26-Sep-18	3	6	41	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 5	27-Sep-18	3	9	62	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 4	17-Oct-18	3	5	116	Yes	To give feedback to the community on the municipal performance against ward-based plans which were

						implemented.
IDP/ Budget review - Ward 2	27-May-19	4	9	51	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 3	30-May-19	4	4	65	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 5	03-Jun-19	2	10	30	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 4	04-Jun-19	2	7	58	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 1 & 6	05-Jun-19	2	4	27	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Ward 5	06-Jun-19	2	8	25	Yes	To give feedback to the community on the

						municipal performance against ward-based plans which were implemented.
IDP/ Budget review - Local farmers	12-Jun-19	3	4	23	Yes	To give feedback to the community on the municipal performance against ward-based plans which were implemented.

2.6.1 COMMUNICATION, PARTICIPATION AND FORUMS

During the period under review the Municipality suffered a huge dent in terms of communication due to the resignation of the Communications Officer. This post has since been frozen and not filled. Various platforms are used to engage the community, encourage public participation and to ensure a participatory government. Public engagements are conducted throughout the year using different forums, meetings and events.

Public Participation Forums:

Currently the municipality has two forums as means of public engagement which are IDP/Budget and PMS and Inter-Governmental Relations (IGR)

- IDP/Budget and PMS Forum
- The forum is functional, it sits once a quarter.
- It is chaired by the Mayor/Speaker, Cllr B Manxoweni and attended by Councilors, Community Development Workers and BCRM Management including key staffers i.e. IGR Officer etc. And it is open to the members of the public.
- Intergovernmental Relations (IGR) Forum
- Sits once a quarter in conjunction with the IDP/Budget and PMS Forum

Different forms of meetings sit within the municipality

- Committee Meetings

- The municipality has four standing committees aligned to the four (4) directorates of the municipality.
- The committees sit once per quarter and special meetings when there is a need. The committee meetings are attended by all councilors, management and staff members of the said directorate

- Council Meetings

- Council meetings sit once per quarter and special council meetings when there is a need for a council resolution. The Council meetings are chaired by the Mayor/Speaker and attended by all councilors, management and members of the community.

-Public/Community Meetings

- Public meetings are held in two ways, at times they are requested by the municipality to the community to address a certain issue that affects service delivery such water crisis or electricity cut. At other times they are requested by the public to the mayor/municipality to address any communal issue that they need addressed by the municipality/council.

- The meetings are also held quarterly between the community and relevant ward councilors.

The following structures have been established to enhance public participation, these are i.e

- Mayoral Outreach /Imbizo
- Ward Based Planning meetings
- IDP Representative Forum
- Inter- Governmental Relations (IGR) Forum
- Ward Committee
- Media
- BCRM websites

2.6.2 WARD COMMITTEES

Ward Committees are meant to deepen public participation in the governance of the municipality and to encourage participation by communities in the affairs of the municipality. The main task of the ward committee members is to be a conduit between the municipality and its communities and to ensure that the communities are informed of pending activities of council. On the other hand, they bring genuine community interests to the attention of the municipality.

The municipality embarked on establishing ward committees and to date the municipality has successfully established ward committees in five of the six wards under its jurisdiction. The only ward that has not yet established ward committees is ward 5 as there are various contestations which has since been referred to the MEC for his intervention.

The municipality was assisted by the Independent Electoral Commission in finalizing the ward committee elections of ward 4 in Pearston. The Municipality is extremely grateful to the office of the Provincial Electoral Commission for availing officials to assist the municipality to undertake this huge responsibility.

2.7 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	T 2.5.1

COMPONENT D: CORPORATE GOVERNANCE

2.8 RISK MANAGEMENT

The Municipal Finance Management Act section 62 (i) (c) requires a municipality to have and maintain an effective, efficient and transparent system of risk management. From its previous years has adopted an Enterprise Risk Management Framework that guided council and management in identifying, rating, responding, monitoring and evaluating as well communicating risks within the municipality. A strategic risk assessment workshop was held during the beginning of the financial year with the assistance of Internal Audit Unit, Provincial treasury and COGTA. High risks, medium and low risks were identified within the risk appetite of the municipality and actions to mitigate risks were identified and captured on a risk register.

Mitigation plans were developed to curb the level and impact of risks on achieving municipal objectives. The plans were regularly reviewed on a quarterly basis. Reports on the quarterly reviewed are regularly tabled to Audit Committee. Departments are also appraised of the status of their risks quarterly. For the 2018/19 financial year, the following are high risk areas identified by the municipality:

- a. Poor discipline of all employees affecting service delivery or productivity.
- b. Unauthorized, irregular, fruitless and wasteful expenditure
- c. Ageing infrastructure impacting on the quality and supply of water
- d. Poor fleet management resulting in plant poor conditions that impact on waste management
- e. Poor implementation of mSCOA

During the 2017/18 the risk management framework policy was reviewed and tabled to Council for adoption. This was in preparation to advance the risk management function in the 2018/19 and 2019/20 financial year.

2.9 ANTI-CORRUPTION AND FRAUD

The Blue Crane Route Municipality has a zero tolerance on fraud and corruption. The existing Fraud and Anti-Corruption Policy and Prevention Plan was reviewed during the 2017/18 financial year. The Fraud Prevention Policy referred to implementation of financial internal controls, implementation of Human Resources Policies and commitment to Code of Conduct by both councilors and employees. The municipality made use of Internal Audit

to review compliance with policies and legislations. Any deviations were reported to the Audit Committee which comprises of competent and independent individuals. Internal Audit and the Audit Committee recommended improvements to all the weaknesses that were identified during the year.

The existing cases reported from previous financial year were dealt with by Council. The BCRM Council referred the matter of R854 000 fraud committed in December 2015 (Identified and reported in January 2016) to the Municipal Public Accounts Committee. The MPAC jointly with the Disciplinary Board investigated this case of fraud, and the work thereof was at an advanced stage at the end of June 2018. The MPAC and the Disciplinary Board developed an action plan to address the findings on the report of the MEC COGTA. This action plan was tabled to Council, and sittings of the Disciplinary Board are continuing to finalize the investigation. Recommendations were made on how to improve areas identified with weaknesses. The banking controls and procedures were reviewed and tightened

2.10 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Policy, SCM Policy for Infrastructure Procurement and Delivery Management as per the requirements of the National Treasury Standard for Procurement Delivery Infrastructure Management in place which was reviewed during the 2018/2019 financial year. The objective of these policies is to provide a policy framework within which the Municipal Manager, Chief Financial Officer and other Senior Managers must institute and maintain a Supply Chain Management System which is transparent, efficient, equitable, and competitive. The policies also ensure the principles of best value for money for the municipality are outlined; applies the highest possible ethical standards; and promotes local economic development. By adopting the policies, the council further pledged itself and the municipal administration to the full support of the Proudly South African campaign and to the observance of all applicable national legislation, including specifically the:

- Preferential Procurement Policy Framework Act No. 5 of 2000 and its regulations;
- Broad Based Black Economic Empowerment Act. No. 53 of 2003 and any applicable code of practice promulgated in terms of that Act; and
- Where applicable, the council also pledges itself to observe the requirements of the Construction Industry Development Board (CIDB) Act No. 38 of 2000 and its regulations.

Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2018/19 financial year was

submitted to the Accounting Officer; Mayor and the Council. The unit is staffed with two (2) vacancies and the staff are aware of the SCM Code of Conduct. Vendor performance is regularly monitored with the help of Project Manager/ End Users. Tax matters for all transactions above R15 000 were confirmed to be in order through the Central Supplier Database. The municipality has a functional Bid Committee system.

Challenges were experienced during the year leading to delays in the procurement of some service delivery projects. There were tenders that had to be re-advertised due to non-responsiveness of bidders and also contract management is also one of the issues that have been highlighted by the Auditor General. Transformation to pro-activeness of the unit is one of the improvements that the municipality is working on.

2.11 WEBSITES

Municipal websites are a great tool for enhanced communication with the community and allow site visitors to get quick access to information when and as they require it. There are computers in libraries to assist the public to have access to the website. This offers the residents to be well informed, and to participate in the process of keeping the community running smoothly. It is unfortunate that not all the information is uploaded on the website. This can be aided by requesting information from relevant persons, giving them sufficient time to provide that information. This has been noted and will improve in the year to come.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	YES	09/03/2018
All current budget-related policies	NO	
The previous annual report (2016/2017)		
The annual report (2017/2018) published/to be published		
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2017/2018) and resulting scorecards	YES	08/08/2018
All service delivery agreements (2017/2018)	NO	
All long-term borrowing contracts (2017/2018)	NO	
All supply chain management contracts above a prescribed value (give value) for 2017/2018	NO	
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2016/2017	N/A	
Contracts agreed in 2017/2018 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	NO	
Public-private partnership agreements referred to in section 120 made in 2017/2018	NO	

All quarterly reports tabled in the council in terms of section 52 (d) during 2017/2018	NO
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>	
	T 2.10.1

COMMENT MUNICIPAL WEBSITE CONTENT AND ACCESS:

The municipality has an interactive and accessible website (www.bcrm.gov.za) that serves as a tool for community participation. All the relevant municipal information is placed on the municipal website as per Section 75 of MFMA requirements. From time to time this information is placed on the website except with few challenges where departments fail to submit this information for it to be placed on the website. Stringent measures will be implemented in the new fiscal year to address compliance shortfalls.

2.12 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

Satisfaction Surveys Undertaken during: Year -1 and Year 0				
Subject matter of survey	Survey method	Survey date	No. of people included in survey	Survey results indicating satisfaction or better (%)*
Overall satisfaction with:				
(a) Municipality	Questionnaire	May-18	17	94%
(b) Municipal Service Delivery	Questionnaire	May-18	17	100%
(c) Mayor	Not Done			
Satisfaction with:				
(a) Refuse Collection	Questionnaire	May-18	17	100%
(b) Road Maintenance	Not Done	May-18	17	
(c) Electricity Supply	Questionnaire	May-18	17	88%
(d) Water Supply	Questionnaire	May-18	17	100%
(e) Information supplied by municipality to the public	Questionnaire	May-18	17	76%
(f) Opportunities for consultation on municipal affairs	Questionnaire	May-18	17	82%

COMMENT ON SATISFACTION LEVELS:

The Municipality is going to conduct new surveys due to poor participation of the public during the -1 year. COGTA will also assist in term of analysing the data collected from the public.

COMPONENT A: BASIC SERVICES

3.1 INTRODUCTION

Service delivery is at the forefront of what BCRM aims to achieve. It is vitally important that all municipal structures and entities are optimally harnessed in such a way that will make the delivery of services to the residents a reality. This chapter deals with service delivery of basic services over the past financial year and gives a detailed breakdown of the various activities, achievements and challenges that the municipality has faced with regards to service delivery. BCRM classifies basic services as Water, electricity, sewer, refuse services, infrastructure and housing.

INTRODUCTION TO BASIC SERVICES

Service delivery is at the heart of what BCRM aims to achieve. It is vitally important that all municipal structures and entities are optimally harnessed in such a way that will make the delivery of services to the residents a reality. This chapter deals with service delivery of basic services over the past financial year and gives a detailed breakdown of the various activities, achievements and challenges that the municipality has faced with regards to service delivery. BCRM classifies basic services as Water, electricity, sewer, refuse services, infrastructure and housing.

3.2. WATER PROVISION

3.2.1 INTRODUCTION TO WATER PROVISION

Somerset East

The bulk raw water supply for the town of Somerset East consist mainly of the extraction of Orange-Fish River Scheme water from the Somerset East Irrigation Sub-Area Canal (SEISA), supply from boreholes and supply from

fountains and mountain runoff in the Bestershoek area. Raw water is extracted from the SEISA Canal where it is currently pumped to the Lake Bertie and Van der Walt dams where after it is purified at the Orange-Fish and Bestershoek Water Purification works at a rate of 94m³/hr. The allocated extraction limit from the Canal is 100m³/hr. The raw water supply has recently been upgraded to 252 m² / hr to the dams as mentioned above.

The Orange-Fish Purification Works was designed to treat a capacity of 54l/s, but can only achieve a maximum output of 45l/s. The total amount of raw water that was pumped from the SEISA Canal in the last year was measured to be 1803m³/day on average with 133 days pumping totalling 239 799 m³/a. Actual measured volume extracted from the Canal was 226 244m³.

During rain, runoff water accumulates in the Bestershoek catchment area. The runoff supplies the Bestershoek Dam, which overflows into the Van Der Walt Dam lower down in the same valley. Overflow water from the Van Der Walt Dam is channelled to Lake Bertie. All three holding dams are earth dams. Lake Bertie is situated approximately 2.7km south east from the Van Der Walt Dam.

Several fountains draining from the Bestershoek Valley and mountains feed into the Bestershoek Dam. These fountains have been developed in the past and feeds down to the Bestershoek Dam in pipelines. During dry seasons or drought the yields of the fountains seized.

Raw water is extracted from the outlet structure of the Dam to the Bestershoek Purification Works beyond, by means of gravity. The incoming raw water supply is measured at the works. Raw water is also pumped from the Van Der Walt Dam lower down the valley to the Purification Works at Bestershoek having a purification capacity of 27l/s.

Cookhouse: Extraction from Hougham-Abrahamson Canal

The extraction from this point is by means of a pump system as well as from the upgraded Orange Fish canal gravity system. The water is extracted from the Hough Abrahamson canal by means of flooded suction from a sluiced take- off into the pump house from where it is pumped by means of a 150mm diameter pipeline to the water treatment works with a capacity of 53l/s. The length of the pipeline is measured to be approximately 1800m. An agreement existed between the Hougham-Abrahamson Irrigation Board and the Cookhouse Transitional Council for the extraction of a maximum of 100m³/hr subject to a maximum of 365 000m³/annum (29.2ha) of raw

water . Currently the measured extraction rate is calculated to be approximately 52m³/hr on average. The pump station is equipped with 2 pumps with 22kW electric motors with a maximum capacity of approximately 55m³/hr.

No records of registration exist of the 40MI retention dam at the new WTW.

Cookhouse: Extraction from Boschberg Canal

The Boschberg Canal was originally constructed - as a community scheme by the members of the Boschberg Sub-Area (formerly the Boschberg Irrigation Board) - to a capacity that was determined by the needs of the members. The Scheme was funded by the members. The Boschberg Canal feeds from the Orange-Fish River Canal and supplies water to its members downstream until it ends at the Van Aardt Dam adjacent to Cookhouse - privately owned by a local farmer.

With the serious shortage of portable water for the town of Cookhouse, the Cookhouse Local Council approached the Boschberg Sub-Area at the time regarding an interim agreement that the Council would be able to use "excess overflow water" not utilized at the time by the members of the Board. A verbal agreement was made that in exchange for assistance in maintaining the Canal and the sealing of the Van Aardt Dam, the Council could utilize the excess water. There is no evidence of any volumes mentioned.

The Council, as result of the "gentlemen's agreement", had a sluice distributor and a pipeline constructed from the end of the Boschberg Canal to the new water treatment works in Cookhouse. The pipeline is 315mm dia. uPVC. The Municipality made use of the excess water from the Boschberg Canal by means of this system but could never rely on a guaranteed supply from the Canal. In 2005 the Blue Crane Municipality formally applied to the Department of Water Affairs for an allocation of water via the Boschberg Canal. It was turned down by the Boschberg Sub-Area stating that no permanent excess capacity was available. They did however agree to temporarily assist should excess capacity be available.

NOTE: The above supply arrangements have been changed with the new direct gravity supply directly from the Orange Fish main canal.

Pearston: Extraction from Boreholes

The water supply to the town of Pearston is completely dependent on the supply of water from boreholes. In total five boreholes contribute to the bulk supply of water to the town.

The town of Pearston recently had three boreholes which did not have any details with regards to their safe yield data and depth. This has been rectified through a project to augment the Pearston water supply, which also established safe yield to ensure that the boreholes do not run dry.

Major challenges in Water Services and Remedial Actions

The following challenges are faced by the BCRM:

Pearston

Pearston obtains its water from boreholes only. Close monitoring of the abstraction is required to ensure sustainable and sufficient water supply on a long term for Pearston. Safe yield test results established on an ACIP project for Augmentation of Community Water Supply are a positive step towards borehole management, however data logging is needed to monitor the level of water in the boreholes for more accurate and reliable monitoring of the boreholes.

Somerset East

Water is obtained from surface water that is seasonal and rainfall dependant, as well as water from the Orange-Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange-Fish Canal supply. A project has been completed and it's being implemented for a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.

Cookhouse

Due to the fact that Cookhouse was administered by the old Transnet, all assets and rights still resides with Transnet. The town is dependent on water from the Orange-Fish Irrigation Scheme and has no surface or borehole sources.

The present water supply to the town is not reliable, and a pipeline was completed from the Orange- Fish Scheme to secure sustainable water to the town. However, this line is only approximately 35% of the bulk line to Cookhouse which needs an upgrade.

Water losses

The total water losses in the municipality are estimated to be at 74 ML/annum. Domestic activities account for the largest amount of the water usage and losses thereof in Blue Crane Route Municipality, industries being the biggest user. According to available data, domestic water usage is increasing by approximately 700 cubic meters per day. Industries have however seen an increase in water usage of approximately 50 cubic meters per day.

The municipal water balance is not as accurate as it should. Open space such as parks and sports fields are not metered and therefor used in these premises are accounted for as water losses or unaccounted for. Water used through fire hydrants is also not accounted for and contributes to non-revenue water or water losses.

Projects

1. Refurbishment of Somerset East boreholes through Water Services Infrastructure Grant (WSIG). Four (4) boreholes have been refurbished to increase water supply to the communities of Somerset East.
2. Water conservation and demand management (to reduce water losses) through the drought relief funding. The project entailed replacing of all water meters, replacement of cisterns and water taps in all indigent households and fixing leaks. This project is complete water losses has been reduced from 48% to 29%.
3. Construction of Pearston Water Treatment Works which will be rolled over to the 2019/20. The rollover application will be submitted to National Treasury. The project commenced in May 2019 hence the rollover.

COMMENT ON WATER USE BY SECTOR:

Domestic activities account for the largest part of water usage in BCRM, industry being the second largest consumer. Agricultural activities are supplied by private boreholes in Blue Crane Route Municipality, with only electricity being supplied by the Municipality to the farmers.

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

BCRM has experienced a number of challenges with regards to water services of these include the following:

- Pearston obtains its water from boreholes only. The augmented water supply in Pearston ensure that the town has constant and sustainable water supply. However, under the project to augment Pearston water supply, two boreholes were not connected due to budget constraints and therefore a follow up project has been initiated to complete phase two of water supply in Pearston. Pearston does not have surface water and entirely relies on borehole water, this means that the water supply in Pearston is dependent on mechanical means to abstract the water and to a certain extent for distribution of the water.
- Somerset East Water is obtained from surface water that is seasonal and rainfall dependent, as well as water from the Orange/Fish Irrigation Scheme. The town is dependent on the only reliable source, being the Orange/Fish Canal supply. A project has been completed and it's being implemented with a new bulk water pipeline to ensure that the town will be able to overcome any water shortage threats in the future.
- Due to the fact that Cookhouse was administered by the old Transnet, all assets and rights still reside with Transnet. The town is dependent on water from the Orange/Fish Irrigation Scheme and has no surface or borehole sources. The present water supply to the town is not reliable, and a pipeline is required from the Orange-Fish Scheme to secure sustainable water to the town.

3.3 WASTE WATER (SANITATION) PROVISION

3.3.1 INTRODUCTION TO SANITATION PROVISION

Sewer outfall is managed by various methods in the Blue Crane Route. Apart from the informal settlements, the entire community of the Somerset East urban area is serviced with a waterborne sewer system. A substantial capital outlay has been budgeted for and is being spent; further provision must be made for upgrading the facility to a waterborne reticulation system. The BCRM has eradicated the Bucket System in line with the national priority requiring all bucket systems to be completely eradicated; buckets still exist in informal settlements mainly due to unavailability of suitable land. The BCRM's objective is to supply each consumer with full water borne sanitation system, if technically and financially feasible.

Sanitation Services delivery strategy and main role-players

As a WSP and a WSA, the Municipality takes full responsibility for sewage disposal and treatment in all three towns.

Level and standards in Sanitation Services

BCRM has not eradicated all buckets and some residents in formal settlements and the entire informal settlements are still using buckets. BCRM is in the process of upgrading the bulk WWTW facilities in all towns and the status is as follows:

Pearston

The Municipality has received funding from the Department of Water and Sanitation (DWS) through the Water Services Infrastructure Grant (WSIG) to upgrade the Pearston WWTW as it has reached its full design capacity. The Municipality received R15mil, however the funding was not enough to complete the project. Phase 1 of the project is complete which has a major scope of work. The Municipality will request funding again from DWS to complete the project in the 2020/21 financial year. The functioning of the plant has improved as two major ponds have been fully upgraded. The upgrading of the sewer pump station is currently in progress and will be complete in 2019/20 financial year.

Somerset East

Residential reticulation in the town is old and requires intensive maintenance actions. The municipality has upgraded the pond system in Somerset East to an activated sludge system to cope with the hydraulic load of 2.5Ml per day and comply with Department of Water and Sanitation effluent requirements.

Cookhouse

The Municipality received funding from the Department of Water and Sanitation under the Water Services Grant for the Upgrading of Cookhouse WWTW. The first and second phases of the project to construct new additional ponds and upgrading of the pump station have been completed in the 2017/18 FY. Funding was received from DWS in the 2018/19 FY to complete the project. Indeed, Phase 3 of the project was successfully completed.

COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

There has been a significant improvement on waste water treatment facilities within the Municipality. The Municipality has upgraded the Somerset East, Cookhouse waste water treatment works. Phase 1 of Pearston WWTW is included was implemented and completed in 2018/19. The second phase is estimated to implemented in the 2020/21 should funding be received from DWS. BCRM also plans to eradicate all bucket system and septic tank within the municipality within the next 5 years.

3.4. ELECTRICITY

3.4.1 INTRODUCTION TO ELECTRICITY

The BCRM is a licensed distributor of Electricity within the area and is registered with NERSA licence number NER/D/EC102. Electricity is being distributed by the Municipality to its consumers of about 8691. The Blue Crane Route Municipality has vast distribution networks consisting of a combination of urban and rural infrastructure to ensure a sustainable electricity supply to its consumers. It is a challenging task to maintain this vast electrical infrastructure and expand, upgrade, or refurbish with the available funding. The agricultural sector is the biggest electricity consuming sector and is growing.

Electrification in Cookhouse and Somerset East

The Department of Human Settlement undertook a project of rectification where old semi-detached houses were demolished and rebuilt as detached dwellings. BCRM installed electricity services and completed seventy-five houses. The outstanding backlog of another seventy-five houses will be completed in 2019/20 financial year.

Maintenance of street lights

BCRM has a responsibility of maintaining the street lights to ensure lighting is provided to its community. The following areas were maintained: Somerset East Town and Cookhouse.

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

Blue Blane Route Municipality network is old and need urgent refurbishment to maintain quality of supply. To strengthen and improve quality of supply BCRM is upgrading the main substation. A 4 MVA transformer was refurbished and commissioned to the Middleton distribution line. Three new auto – reclosers were installed at the substation and settings upgraded. Two Eskom incomer feeders were upgraded as well as a bus coupler, bus riser and two circuit breakers were upgraded. The project was funded by INEP capital grant. The upgrade brought stability to the network except for the Zuurberg distribution line which is always troubled by outages because of its aged.

3.5 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

3.5.1 INTRODUCTION TO WASTE MANAGEMENT

Refuse collection services are provided as per the set schedule to all the household and businesses of Blue Crane Route Municipality in Somerset East, Cookhouse and Pearston. Household waste is collected at least once per week on different days in residential areas of Somerset East. In Cookhouse and Pearston household and business refuse is collected Monday's only and the rest of the remaining days in that week are used to collect garden refuse.

The challenge with the collection of garden refuse is that it is not regulated by the municipality. Members of the community dump any day of the week. Some even create illegal dumps as they do not want to dump in front of their own properties and so they dump on the street corners. The Department of Environmental Affairs appointed co-ordinator at the municipality for the Youth Community Outreach Programme (YCOP), who is currently focussing on the eradication of illegal dumps through education to the community on waste management.

All three of the municipal landfill sites are permitted but none is managed according to the minimum requirements for landfill sites. Through the funding of EPWP the municipality employed 25 casuals for a period of six months in the field of waste management. All of them were general workers who assisted with refuse collection and picking up of litter. These casuals came from the communities of Somerset East, Pearston and Cookhouse.

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

The capital budget for the 2018/19 financial year was R30000-00, which were used for the procurement of three edge cutters. The following are the waste management challenges as experienced by BCRM in the 2018/19 financial year.

1. Old refuse collection vehicles, which is constantly going for repairs and therefore hampering service delivery.
2. Demoralised staff members due to lack of resources.

3.6 HOUSING

3.6.1 INTRODUCTION TO HOUSING

The municipality is facilitating the delivery of housing on behalf of the Provincial Department of Human Settlements. The Department is currently implementing Plastering and Ceiling project for Chris Hani and Old Location. 150 houses were rectified in Cookhouse under Cookhouse 150 project. The Department is also planning to implement new housing project however this is delayed by the lack of availability of suitable land for housing development. Engagements are ongoing with various stakeholders and potential landowners in order to obtain land for housing development. Below is the status of the implementation

3.7 FREE BASIC SERVICES AND INDIGENT SUPPORT

Free basic services in the form of water, sanitation, electricity and refuse removal are generally provided throughout the BCRM. Blue Crane Route's criteria for supporting free or subsidized basic services are set out in the Indigent Support Policy. The Government allocates revenue via the Division of Revenue Act (DoRA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidized basic services.

The review process of the register commenced during April / May 2018 where the Finance Department staff visited all the wards and invited people to the various Community Halls to register for Masakhane / Indigent. This review is for the financial year 2018/2019. The municipality allow the indigent households to apply right through the year to be registered on the municipality's indigent subsidy database. The final indigent register for 2018/2019 was tabled at the 27 June 2019 council meeting and was approved.

Indigent Register

There are 4,065 indigent households out of 8,558 households for the 2018/2019 financial year as at end of 30 June 2019. This is a 47% of households benefitting from the Indigent Policy assistance

Free Basic Services Unit

The municipality has a Free Basic Services Unit that focuses on Indigent support; credit control and debt management; as well as Debtors Control. This shared function is largely attributable to the small size of the municipality and the amount of work required maintaining the Free Basic Services function. We however have staff in place that exercise the various functions of free basic services as part of their daily tasks and this is executed by various levels of staff to ensure segregation of duties. We have Credit Controllers that assist in filling and collecting the Indigent application forms; Ward Councillors confirm by signing application forms; Senior Debtors Clerks perform the checking and verification; and the Accountant: Revenue that assesses the applications for the CFO's recommendation to the Indigent Committee for approval and /or non-approval.

Indigent Steering Committee

The Indigent Steering Committee (ISC) was establish in 2012. The Eastern Cape Department of Local Government & Traditional Affairs (ECLGTA) Committee assisted the municipality with a draft ISC Terms of

Reference and Indigent Policy. The Finance Committee has since approved the Terms of Reference and ISC has convened its meetings on a quarterly basis with the development of an updated Indigent Register as its primary task that was completed in June 2019 for approval by council.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (stormwater drainage).

3.8 ROADS AND STORMWATER

3.8.1 INTRODUCTION TO ROADS AND STORMWATER

Roads form one of most basic infrastructural components necessary for development. A well-functioning and well maintained road network creates a positive economic environment influencing the economic activity of the area. In the context of the BCRM, the extent and quality of the existing road network has a significant impact on both the local economy and the community as a whole, since it fundamentally impact on the mobility of both people and produce into the area.

In an economic context, this specifically affects the agricultural related industries and tourism, in particular. If the road network is not sufficiently maintained it could have a negative influence on the potential growth rate of the leading economic sectors. The existing bitumen surfaced roads are deteriorating, as the Municipality does not have sufficient funding for road maintenance.

The general status of roads in the urban areas of Blue Crane Route ranges from tar surfaced in central business areas and higher income residential areas to gravel surfaced and paved roads in the middle and low income areas respectively. The maintenance of roads throughout the entire Blue Crane Route Municipal Area (urban and rural) is problematic due to the lack of funding. Urgent attention and funding is needed to address this problem.

Projects:

Paving of gravel roads in Pearston, Cookhouse and Somerset East.

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The Municipal road infrastructure mainly composes of collectors and access roads (i.e. Class 4 & 5 roads), approximately 60% of the road infrastructure is gravel roads/ not surfaced. The municipality does not have sufficient budget for maintaining the existing road infrastructure and the current grant allocations are not sufficient to eradicate the road infrastructure backlog. The municipality is however considering other avenues to find the road infrastructure maintenance funds or upgrade funds. However an allocation of R3.2 million was allocated for the paving of gravel roads in Pearston Somerset East and Cookhouse.

3.9 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

The existing Storm water drainage is maintained and upgraded by the team on a weekly basis. The municipality's responsibility is to ensure that when there are heavy rains all the storm water drains are unblocked. The projects implemented for the upgrading of gravel road, the municipality ensures that, it caters for the storm water gradient slope to re-route the water flow coming from the mountains to the nearby river.

Challenges experienced:

- The municipality's residential areas are below the mountains and most of the time it affects the roads and the driveways of houses. This gives the municipality the challenge of receiving complaints from the community members about their houses being damaged by the strong water flowing from those mountain falls.
- The budget is very limited to address all the stormwater drainage challenges because currently only using the maintenance budget which does not do much in addressing these issues.

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

BCRM is in the process of developing a business plan for the formulation of the Storm water Master Plan, to be able to address all the challenges of storm water drainage system in all the areas.

COMPONENT C: PLANNING AND DEVELOPMENT

COMMENT ON LOCAL JOB OPPORTUNITIES:

BCRM is a recipient of Expanded Public Works Grant. BCRM received R1mil in the 2018/19 financial year which created 65 work opportunities. Work opportunities were also created through Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG which are 152).

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

3.10 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

The functions of Special Programmes and HIV & AIDS for the Municipality are as follows:

The implementation of Special Programmes for youth, children, women, the elderly and people living with disabilities, and mainstreaming HIV & AIDS programmes including mitigation measures in communities and the development of social cohesion.

This service delivery strategy includes the following activities

- Establishment of Forums for Women, Youth, and People with Disabilities empowerment.
- Policy development on Youth Development, empowerment of people with disabilities and women empowerment.
- Formation of partnership with other sector departments in implementing programmes and campaigns.
- Establishment of BCRM Youth Council, Women's Caucus and Disability Council.

Levels and Standards of the Special Programmes Unit

The unit provides necessary support to the Executive Mayor. It ensures that all needs of the vulnerable groups are met, with special emphasis on five groups: youth, women, and people with disabilities, children and the elderly. Coordinates the delivery of community services plans and programmes through the provision of guidance on applications and processes to promote and achieve the social responsibility objectives of the municipality,

execution of procedural and administrative requirements, interacting with community based structures to facilitate alignment of needs and priorities , creating awareness and encouraging participation and, attending to arrangements in respect of specific events / programmes in accordance with budgetary allocation in order to ensure social upliftment and development objectives are accomplished.

HIV and AIDS

HIV & AIDS Service Delivery Strategy

- To provide support to the Executive Mayor
- To ensure that all the needs of the community of BCRM are met with special emphasis on five focus groups: the youth, children, women, elderly people and people with disabilities and includes the HIV & AIDS aspects of the said groups.
- To improve the HIV/TB & AIDS status of the community of Blue Crane Route Municipality

Levels and standards of HIV & AIDS

The function of HIV & AIDS Unit is as follows

- The implementation of mainstreaming of HIV & AIDS programmes including mitigation measure in communities and the development of social cohesion.

These functions included the following activities

- Provision of support to revive Local Aids Council (LAC)
- Training of Local Aids Council members on roles and responsibilities.
- Formation and strengthening of partnership with other sector departments in implementing programmes and campaigns.

Annual performance as per key performance indicators on HIV&A ids

Annual performance as per key performance indicators on HIV&A ids

KPI	DATE 2017/18	DATE 2018/19	DESCRIPTION 2017/18 ACTIVITY	OF OUTCOMES
Cancer Awareness Programs		October 2018	Cancer Awareness Campaign Door to door for hospice patients that are living with cancer.	Blue Crane Communities were reached and handed over napkins to the support groups.
Women's Month Program		22 nd August 2018	Women's Dialogue on Economic Development. Cookhouse Community Reproductive Health	100 Women from the community of Cookhouse were reached. Sanitary towels were handed to girls that were invited to be part of

KPI	DATE 2017/18	DATE 2018/19	DESCRIPTION 2017/18 OF ACTIVITY	OUTCOMES
	16 Feb & 15 th March 2017		Month. Objective of the campaign was to educate gals about benefits of abstinence & prevention and to allow them to voice out regarding health related issues.	the programme. Johnson Nqonqoza & Cookhouse Secondary
World Aids Day	12 th December 2017	4 th December 2018	World Aids Day Event; The Municipality with MRM Structure handed over food hampers to affected, infected and child headed homes. District World Aids Day The DWAD commemoration was celebrated under the theme "Tracing the giant steps made by the tireless leaders towards ending the AIDS epidemic"	Food hampers to the value of R800 was donated to the families to bring relief over the festive season. 150 community members were reached
Condom, Teenage Pregnancy & STI Week		Feb & March 2018		4 High Schools were reached. Johnson Nqonqoza High ; 126 Aeroville High ; 261 Soqaqamba High ; 60 Pearston ; 90 Learners from all the four high schools showed knowledge of the topics. Schools reached: Cookhouse Secondary Nojoli Primary School

KPI	DATE 2017/18	DATE 2018/19	DESCRIPTION 2017/18 OF ACTIVITY	OUTCOMES
		13 th Feb-26 th Feb 2019		
TB Month Program		27 th March 2018	Outreach Programme for Internal Employees. TB,HIV&AIDS Education	Employees reached;50 Somerset Municipal Depo Service rendered; HCT Screening TB screening
Anti-Alcohol Abuse Programme	August-Oct 2017		BCRM in partnership with Eastern Cape Liquor Board launched a community outreach campaign for Anti-Alcohol Abuse which was a Build Up for Sport Tournament. The objective of the campaign was to educate communities on alcohol abuse.	The programme was a resounding success. Winners awarded with sport gears.
16 Days of Activism Campaign for NO Violence Against Women & Children	12 th December 2017		Fun Walk at Pearston in Support of the 16 Days of Activism for No Violence Against Women and Children.	Local NGO's and Stakeholders took part and the community at large.
Gender Based Violence Programme		26 th July 2018 27 th March 2019	Outreach programme on Gender Based Violence. The programme was meant to highlight and raise awareness on gender based violence and promote a GBV free society. Gender Mainstreaming Workshop	Stakeholders in Blue Crane and the community voiced out their concerns with regard to Gender Based Violence and key drivers of the gender based violence. Sector department, Municipal Staff reached
Blue Crane Mayors Cup		1 st & 2 nd December 2018	Blue Crane Mayors Cup; Soccer tournament which took place at the Cookhouse Sportfield.	Programme was a resounding success Winners awarded with prizes.
Women's Program		23 rd August 2018	Women's Month Commemoration. The aim of the event was	Community members (Women) were reached. Hypertension & Diabetes

KPI	DATE 2017/18	DATE 2018/19	DESCRIPTION 2017/18 ACTIVITY	OF OUTCOMES
			promoting a Healthy Lifestyle. Presentation by a Dietician	Screening HIV&AIDS Screening And other chronic.
Elderly People		12 th July 2019	The municipality in support to the elderly people sponsored the Golden Games event.	Elderly people in the three town participated on the event. Community were reached
Youth Programs		March 2019	Youth of Blue Crane that was successfully recruited to enrol on a 24 months training by Narysec on skills development Learnership Programme in Kimberley Department of Defence.	10 Youth from Blue Crane Municipality area enrolled on a 24 months long programme in Kimberley.
		18 th July 2019	The municipality with Dedeat hosted an Information Sharing Session on Business Opportunities and Productive Positive Lifestyle.	70 youth were reached in all the three towns.
		01 st June 2019	Amaphuthi Ahlathi Anye All Arts Festival in Grahamstown. (DSRAC)	4 Youth groups were chosen to represent the municipality in (Dance, Drama, Poetry and Music).
		28 – 30 th June 2019		Youth were reached in all the three towns.
		23 & 24 th July 2019	District Youth Dialogue Sport Tournament	All the Secondary Schools learners from BCRM as well as Out of School Youth (OYS) attended the event and it was successful.
			Career Expo About 50 Institutions exhibited on their services on the day.	

BLUE CRANE 5YEARS DHIS DATA

Organisation	Data	2014	2015	2016	2017	2018
Blue Crane Route Local Municipality	Clients 40 years and older screened for diabetes	0	0	0	6337	10598
Blue Crane Route Local Municipality	Clients 40 years and older screened for hypertension	0	0	0	3882	6639
Blue Crane Route Local Municipality	Diabetes client treatment new	53	334	67	121	42
Blue Crane Route Local Municipality	Diabetes clients on treatment caseload				4.9	4.7
Blue Crane Route Local Municipality	Hypertension treatment caseload				27	26.3
Blue Crane Route Local Municipality	EMS P1 rural response under 40 minutes rate	38.9	28.5	26.3	54.4	75
Blue Crane Route Local Municipality	EMS obstetric emergency rural Inter-facility transfer under 60 minutes rate				62.5	58.5
Blue Crane Route Local Municipality	Immunisation under 1 year coverage	63.9	64.4	61.4	56.2	50.6
Blue Crane Route Local Municipality	HIV test done - total	822	1223	1177	6152	6299
Blue Crane Route Local Municipality	HIV test positive 12-59 months rate	0	1.9	2.7	4.3	1.8
Blue Crane Route Local Municipality	HIV test positive 5-14 years rate		7.1	3.6	5.2	2.3
Blue Crane Route Local Municipality	HIV test positive client 15 years and older rate (incl ANC)	7.5	7.1	4.6	4.7	4.8
Blue Crane Route Local Municipality	Male condom distribution coverage	16.9	23.4	44.1	14.7	0
Blue Crane Route Local Municipality	Medical male circumcision - total	0	0	0	76	58
Blue Crane Route Local Municipality	Medical male circumcision 10-14 years rate				0	3.4
Blue Crane Route Local Municipality	Medical male circumcision 15 years and older rate				100	96.6
Blue Crane Route Local Municipality	PHC client seen by doctor	5080	5300	3062	3898	4037
Blue Crane Route Local Municipality	PHC headcount total	109899	113220	115254	119342	128353
Blue Crane Route Local Municipality	PHC utilisation rate - total	2.9	3	3	3.1	3.3
Blue Crane Route Local Municipality	PHC utilisation under 5 years rate	3.3	3.3	3.4	3.2	3.1
Blue Crane Route Local Municipality	Tracer items stock-out rate (fixed clinic/CHC/CDC)	40.3	68.1	15.3	2.8	13.9
Blue Crane Route Local Municipality	Antenatal 1st visit before 20 weeks rate	60.9	70.1	69	76.4	81.5
Blue Crane Route Local Municipality	Antenatal client HIV 1st test positive rate	11	12.3	10.6	9.3	7.9
Blue Crane Route Local Municipality	Antenatal client start on ART rate	78.3	76	86	95.9	88.6
Blue Crane Route Local Municipality	Born alive before arrival at facility rate	12.7	6.8	8	9.4	6.1
Blue Crane Route Local Municipality	Delivery by Caesarean section rate	19.7	27.1	34.1	40.6	34
Blue Crane Route Local Municipality	Delivery in 10 to 19 years in facility rate	0	0	0	9.8	14.3
Blue Crane Route Local Municipality	Early neonatal death in facility rate	9.7	9.3	8.7	15.6	7.2
Blue Crane Route Local Municipality	Infant 1st PCR test positive at birth rate		2.1	0.78	0	0.89
Blue Crane Route Local Municipality	Infant PCR test positive around 10 weeks rate			0	0	0
Blue Crane Route Local Municipality	Maternal mortality in facility ratio	169.8	0	199.2	0	224.7
Blue Crane Route Local Municipality	Still birth in facility rate	24.7	16.5	31.4	12.9	11.8
Blue Crane Route Local Municipality	Antenatal client start on ART	72	76	49	47	31
Blue Crane Route Local Municipality	Born alive before arrival at facility	75	39	40	40	27
Blue Crane Route Local Municipality	Death in facility 0-7 days	5	5	4	6	3
Blue Crane Route Local Municipality	Death in facility 8-28 days	0	0	0	0	0
Blue Crane Route Local Municipality	Delivery by Caesarean section	103	146	162	158	143
Blue Crane Route Local Municipality	Delivery in facility - total	523	539	475	389	421
Blue Crane Route Local Municipality	Live birth in facility	514	536	462	384	418
Blue Crane Route Local Municipality	Live birth to HIV positive woman	137	132	129	114	114
Blue Crane Route Local Municipality	Live birth under 2500g in facility	98	116	95	69	79
Blue Crane Route Local Municipality	Maternal death in facility	1	0	1	0	1
Blue Crane Route Local Municipality	Still birth in facility	13	9	15	5	5
Blue Crane Route Local Municipality	Screen for TB symptoms 5 years and older			44029	80121	87135
Blue Crane Route Local Municipality	Screen for TB symptoms under 5 years				7587	10531
Blue Crane Route Local Municipality	TB client under 5 years start on treatment				46	7
Blue Crane Route Local Municipality	TB client 5 years and older start on treatment	272	330	322	345	375
Blue Crane Route Local Municipality	Vitamin A dose 12-59 months coverage	41.1	56.6	36.7	46.6	49.8
Blue Crane Route Local Municipality	ART client remain on ART end of month - total	1383	1650	1891	2207	2341
Blue Crane Route Local Municipality	ART client naive start ART during month - total	322	455	382	421	309

Source: ECDoH / DHIS Data

3.11 INTRODUCTION TO LIBRARIES; ARCHIEVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Blue Crane Route Municipal Libraries provide services at 6 public libraries across the Municipal area. Anyone may use these libraries, but only members may loan library material and use the computers. The Library Service aims to provide information resources in various formats to the entire BCRM population and to foster a life-long reading culture.

- Functions provided by the libraries: Provide updated information to scholars and the community.
- All the libraries have computers and some have internet. Colour printers and competitive prices for printing help to give good service. Some of the libraries have tablets to provide clients with further information.
- Outreaches to adults and children. Two weekly outreach to take books to Silwerjare Old Age home.
- Educational programmes for pre-scholars and scholars.
- Holiday programmes for children.

These programmes ensure that every interested member of the community is reached and supplied with relevant information. Different programmes were held during the year and it reached different sections of the community. Mandela Day was celebrated with Dr Ngcipe library staff going to Andries Vosloo Hospital where they did a puppet show for children in the hospital. Different reading sessions were held with children, eg. Grade 4 of Gilbert Xusa visited Langenhoven and used the library for reading and information seeking. The librarian career was exhibited at the Career day at Gill College by Langenhoven library. Spelling Bee was held in October at W.D. West library. Grade 5 learners of local schools competed. Busy Bee Educare Centre have story hours presented by W.D. West library monthly. Holiday programmes were held at Dr Ngcipe, Dr Rubusana, Ernst van Heerden and Cookhouse libraries during December. The District Library week event was held in Makana and 3 children of Gill primary, St Teresa's RC and Pearston Primary each won a 2nd prize while a 3rd prize for Poetry was won by a Pearston Secondary school scholar. World book day was celebrated by different libraries during May with different programmes for every library. New books received during the year under review are 385

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

- 6 Qualified librarians and 3 qualified teachers are in charge of these libraries
- 2 Assistant librarians assist the librarian in their work
- 2 library assistants at 2 libraries supplied by DSRAC
- 1 Cleaner in every library
- Small libraries have approximately 15 000 and larger libraries have approximately 20 000 books.

Circulation for 2018/2019 =

Adults	40139
Children	29016
Total	69155

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

No budget was allocated for capital projects

3.12 CEMETORIES AND CREMATORIIUMS

3.12.1 INTRODUCTION TO CEMETORIES & CREMATORIIUMS

Blue Crane Route Municipality has eight (cemeteries) .The municipality residents are still concentrating on only one method of burial which is digging of graves. Other methods of burial have not been fully explored especially amongst the black communities. With the increased number of funerals taking place weekly, the cemeteries are reaching its full capacity. It will be important for the communities to consider other methods of burial to ensure that cemeteries do not fill quickly.

COMMENT ON THE PERFORMANCE OF CEMETORIES & CREMATORIALS OVERALL:

BCRM has nine cemeteries in total. Only six of the nine cemeteries are officially operating. These are all three in Pearston, one in Cookhouse and two in Somerset East. The other three are full. Two cemeteries in Bongweni and Aeroville are about to reach their full capacity and that means new sites must be identified soon to undergo all environmental processes to be authorised as a cemeteries. In Somerset East, a new site was identified in Aeroville to establish a new cemetery and a ROD was received in 2014.

Due to lack of funds for this project, the ROD lapsed and a new application to the Department of Environmental Affairs was done. The municipality is looking at other funding options for this project as it cannot afford it from its own coffers. No funding provided for in the capital budget for this project as a result up to this stage, the cemetery has not been developed except for the realignment of the road that cross through the cemetery.

The maintenance of cemeteries is performed by a group of employees who are also responsible for the parks and open spaces. It is difficult to separate expenditure for cemeteries as there is no separate budget for them. This is for both general expenditure and employee expenses. The municipality is assisted mostly by the CWP participants to clean cemeteries due to shortage of staff and resources.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and coastal protection

3.13 ENVIRONMENTAL PROTECTION

Environmental protection is a function that is performed by an Environmental Unit of the municipality and BCRM does not have that unit yet. A provision for the appointment of the Environmental Management Officer has been made in the organogram. There is no funding for this position as a result some of the functions of this unit are performed by Environmental Health Practitioners.

3.14 POLLUTION CONTROL

Since BCRM does not have a unit performing environmental protection, the functions that overlap with those of Environmental Health are performed by the Environmental Health Practitioners (EHP). Urban areas in the BCRM

are primary centres of activity that generate air quality impacts. This includes particulate and other emissions. They are as a result of either concentrated traffic volumes, industrial activities including household fires.

Currently, the municipality does not have an Air Quality Management Plan. Ordinarily such plans are prepared by the District municipality and include municipalities under them. The District municipality is busy preparing such plans. Old infrastructure with insufficient capacity results in sewerage spillages and thus human health risks. This also has a potential of water pollution which can lead to a spread of diseases. For the year under review no complaints were received regarding noise pollution.

BIODIVERSITY

The Blue Crane Route Municipality is a home to a wide variety of vegetation including Albany Thicket, Azonal vegetation, Fynbos and Grassland. The condition of these habitats varies considerably throughout the municipal area. The municipality continues to experience a challenge of stray animals. Although BCRM does have a commonage, not all animals are kept in the commonage. Again, the municipality does not have a pound facility yet, it is still under construction, to be completed in the next financial year.

There are a number of formally protected biodiversity conservation areas within and surrounding BCRM. Within the municipal area, there is Bosberg Nature reserve near Somerset East and a portion of the Addo Elephant National Park in the South. In total 4% of the municipal area falls within formally protected areas.

COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Pollution control in the form of prevention of nuisances such as illegal dumps is done by the EHP's. They together with other government community-based programmes mobilise the communities and do awareness campaigns amongst the community. These environmental awareness campaigns are focusing on eradication of illegal dumps and beautifying these spots. The community members are encouraged to adopt these beautified spots and protect them from vandalism. The programmes are targeted to have at two awareness campaigns per quarter on a continuous basis. Expenditure for these programmes is provided for under operational budget.

Air pollution is the function of the district municipality and Sarah Baartman District Municipality involved all municipalities in its district to develop an Air Quality Management Plan to deal with issues of air pollution. Pollution

control due to nuisance is dealt with in terms of the Health Act, National Norms and Standards for Environmental Health and local Municipal Bylaws.

3.15 HEALTH INSPECTION; FOOD AND ABBATOIR LICENSING AND INSPECTION; ETC

3.15.1 INTRODUCTION TO HEALTH INSPECTIONS; FOOD AND ABATTOIR LICENCING AND INSPECTIONS, ETC

Health inspections are integral part of the function of Municipal Health Services. This is a function of the district but is performed by the local municipality on agency basis through a service level agreement. The funding is allocated to the local municipality on quarterly basis and expenditure reports are expected to be submitted to the district for accountability purposes. Abattoir licencing is a function of the Department of Agriculture who also have their own inspectors to conduct inspections at the abattoir.

COMMENT ON THE PERFORMANCE OF HEALTH INSPECTIONS, Etc OVERALL:

The Environmental Health Practitioners (EHP) are responsible for Health inspections as part of their scope of practice. The scope of work includes;

- Water quality monitoring
- Food control
- Health surveillance of premises
- Surveillance and prevention of communicable diseases
- Waste management

The EHP's perform their functions within the BCRM area of jurisdiction and their reports are submitted to council after being discussed in a council standing committee on monthly basis. The same reports are submitted to the district on a quarterly basis. The function is funded by the district through the SLA. Despite the fact that the national norm for environmental health staffing says one EHP per 10000 populations, the district is still underfunding this funding. Their funding allocation is based on R22 per capita. Currently BCRM has only one EHP position filled and two are still vacant but are in the organogram. This understaffing is due to underfunding of the function by the district.

Water quality monitoring is done monthly in terms of SANS 241 and all deviations are attended to and reported to the Technical Services for further intervention. Food control is done through health inspections on food handling premises in terms of Food, Cosmetic and Disinfectant Act Regulations (ie R638). Those food handling premises that are not compliant with the Regulations are given notices to rectify the conditions with a specified timeframe. Health surveillance of premises is also conducted in the same manner.

Waste management is a function of the municipality and the EHP's ensure compliance with the NEM: Waste Act and also to prevent occurrence of diseases that could be as a result of waste not being properly managed. The municipality has teams that do the actual collection, transportation and disposal of waste. The two units work together to ensure waste is managed in an acceptable manner.

COMPONENT G: SECURITY AND SAFETY

3.16 INTRODUCTION TO SECURITY & SAFETY

Blue Crane Route Municipality does not have an in-house Police Services – However the municipality has Traffic Services.

3.16.1 TRAFFIC SERVICE

Overview:	Include Traffic, Licensing, Road Worthiness & Technical Services
Description of activities: Traffic Law Enforcement	The key function of the Traffic Dept. is to provide safer roads for all stakeholders within the BCRM area. The Municipality has a mandate to: 1. Conduct preventative traffic patrols and enforce traffic legislation 2. Enforce speed limits 3. Attend to traffic accidents 4. Enforce parking legislation 5. Enforce municipal by laws The key objective of this function is to ensure safe and free flow of traffic within BCRM Municipal area
Driving Licenses	These services include all drivers testing functions.

	The Municipality has a responsibility to: . Test applicants and issue learner license . Test applicants and issue driver's license . Renew credit card driving license . Renew and issue Professional driving permits The key objective of this function is to ensure safety on the roads by ensuring a high level of competency amongst vehicle drivers.
Roadworthy Testing	This service includes all vehicles testing functions. The Municipality has a responsibility to: . Test vehicles . Issue roadworthy certificates The key objective of this function is to ensure safety on our roads by ensuring roadworthy vehicles
Technical Services	This service is responsible for the maintenance of all road traffic markings and road traffic signs
Commonage & Pound	These services is responsible for the following; . Maintenance of the commonage fence . Maintenance of commonage camps by spraying illegal plants . Impound unbranded animals . Maintain a pound register. . Maintain a commonage register . Remove stray animals from roadways

Staff Complement:

1. A Traffic Chief & 3 Traffic Officers (Law Enforcement)
2. 1 E-natis Supervisor & 2 E-natis Clerks (Registering Authority)
3. VTS – Position Vacant (Roadworthy Centre)
4. DLTC – Positions Vacant (Examiner of driver license)
5. Technical Service 1 General worker (Road marking)
6. Commonage & Pound - A Pound Master & 3 Assistances

Challenges:

1. Staff shortage hamper services

2. Vacant position are not prioritized
3. No deputy chief or shift leaders
4. No Management Representative
5. Lack of cooperation from live-stock owners, contributing to an increase of crashes involving stray animals
6. BRCM area under served.
7. High accident rates with fatalities on both the R63 and N10 routes

COMMENT ON THE PERFORMANCE OF TRAFFIC POLICE SERVICES OVERALL:

There is a poor performance due to high absentees from officers. Set goals were 90% met. Preplanned activities are most of the time abended due to staff shortages or weather conditions. Traffic Services did not have capital projects. All projects were removed due to budget constraints. I will investigate the possibility of reinstating the projects which were removed due to a budget constrain.

3.16.2 FIRE

INTRODUCTION TO FIRE SERVICES

The year generally had a significant decrease mainly informal dwelling and an increase formal dwelling fires and vegetation fires. We also continued with our Community Awareness education was on-going; programmes at hospitals, retirement villages schools ,clinics, etc as well as meetings with the service provider Aurecon regarding draft ward based Risk Assessments conducted during the month of June 2018, which will inform our disaster management plan ,currently the draft risk assessment are at District council level for adoption but was referred back to AURECON for further inclusion of information received from LMS. We also focused on tariff implementation charges are being levied for services rendered as well as bylaw enforcement.

COMPONENT H: SPORT AND RECREATION

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION

Blue Crane Route Municipality has three children parks one for each town. The only park that is complete and fully equipped is the one in Pearston. The other two are incomplete and Technical Services is responsible for their completion. In Somerset East there are three parks utilised by adults. These are Victoria Park, Rest-a-While and Bestershoek Picnic and Caravan Park. Pearston has one park as well as Cookhouse. Due to financial constraints of the council, none of these parks is well maintained. There is no equipment to maintain the parks.

With regards to the sport fields, the same financial situation is affecting sport fields. Very little maintenance is done due to lack of equipment. Technical Services through MIG grant is busy contracting change rooms in some sportfields.

BCRM has a multi-purpose Centre located at Aeroville and a Youth Center located at Old location in Somerset East. Unfortunately both centres are not well equipped. The Department of Sport, Recreation, Arts and Culture will be approached for assistance. The municipality has also 10 camp sites located at Besterhoek. Because of economic downturn, occupancy rate has been very low for the period under review.

3.16 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

The Human Resources section provides the following functions:

- Human Resources Planning
- Recruitment and Selection,
- Staff Placement,
- Induction
- Overall HR staff Management/Supervision
- Outlining the relevant policy/legislation to council and municipality
- Interpret and implements labour legislation for the institution
- Advises Directorates on procedures to follow in terms of correctional action.
- Co-ordinates the job evaluation process of the institution.
- Job Description Development, Maintains and updates Organizational Development

- **Human resources development comprises of:**
 - Implement Organizational, Provincial and National strategies
 - Co-ordinate Councilors, Management and Staff development programs
 - Skills development
 - Employment equity
 - Implement Learnership and Internship programs

- **Labour Relations is responsible for the following: -**
 - Develop organizational labour relations strategy and policy
 - Provide a labour relations support to line function, including a support of their responsibility to the municipality
 - Provide advice and guidance to staff in respect of labour issue
 - Manage disputes and grievance resolution mechanisms
 - Administer all discipline processes (including investigations)
 - Facilitate departmental collective bargaining

- **Functionality of the Local Labour Forum**

Good labour relations in municipalities is a legislative imperative that must be nurtured and sustained at all costs as failure to do so may have a direct impact on the levels and quality of service delivery. To this end, the LLF is well functioning in the Municipality and has had a positive impact in the promotion of sound Labour Relations. This is further complimented by Inter-Governmental Relations (IGR) support development and education programs through the Sarah Baartman District Municipality, SALGA, CoGTA and Provincial and National Treasury amongst others. In the ensuing financial year the Municipality aims at prioritizing the establishment of the Human Resources Development, Employment Equity and Occupational Health and Safety Committees as well as conclusion of Minimum Services Agreement.

Review of the organogram and Filling of critical and vacant posts

Section 56 and 57 positions except for the position of Director: Technical Services have been filled. The filling of the outstanding vacancies will be done as soon the prioritization process, costing and budgeting exercise has

been completed. The municipality reviewed and adopted its organogram on the 26th July 2016. Subsequent to that a total of 37 vacancies were identified. The Municipality is in advanced stages of Organizational Review to ensure a staff establishment that is in line with its latest Job Evaluation results and commensurate to its limited financial resources.

Formulation of Job descriptions

The above Organizational Review will culminate in the development of job descriptions for all employment categories of the institution.

⇒ Implementation of job evaluation

The municipality is participating in the SALGA - initiated process of implementing job evaluation system. The Sarah Baartman District Municipality has established a Job Evaluation Unit which is responsible for the implementation of the system for all municipalities falling under the district. BCRM is participating in all the activities and has complied with all the requirements. The job evaluation is scheduled for commencement at the beginning of the next financial year.

⇒ Human Resource Plan (HR Plan)

CoGTA-EC assisted the municipality in the formulation of the human resource plan and its implementation plan was adopted by council and due for reviewal in the next financial year.

The document outlines how the municipality will achieve the objective of the IDP through optimal utilization of human resource, integrating the key following enabling instruments:

- Job description formulation and reviewal
- Job Evaluation process
- Institutional policy development and reviewal
- Reviewal of the Organizational Structure
- Staff training through Workplace Skills Plan
- Institutionalization of Occupational Health and Safety
- Employee Wellness Program, and
- Employee Equity Plan

LIST OF EMPLOYEES ON A FIXED TERM CONTRACT

POSITION	INCUMBENT	TIMEFRAME
Municipal Manager	Mr. Thabiso Klaas	Contract ends October 2022
Director Community Services	Mr. Mandisi Planga	Contract ends October 2022
Director Corporate Services	Mrs. Lineo Nkanjeni	Contract ends October 2022
Director Financial Services (CFO)	Mr. Nigel Delo	Contract ends August 2023
Director Technical Services	Mr Ayanda Gaji	Contract ends June 2024
Manager: PMU	Mrs. Nonkubela Dlova	Contract ends December 2018
Technician: PMU	Mr. Sonke Madlanga	Contract ends August 2020

- **Employment of casual workers**

The employment of casuals has been a major problem area as community members are always suspicious of any process that does not favor them. The municipality has commissioned the development of job seekers database which will replace the loud hailing method. The database will ensure that opportunities are given to all deserving residents on a fair and equitable manner.

- **Skills Development Programs**

The Skill Development Act requires that all employers, including municipalities, must develop a Workplace Skills Plan (WSP). The WSP is developed indicating the skills gaps, analysis and attributes identified in a particular year. This is also in line with Objective 2 of the National Skills Development Strategy, which advocates for "Promoting and accelerating quality training for all in the workplace". The WSP outlines the training capacity building programs to address the gaps and build capacity. The program consists of a skill program which is occupational based and the learnerships which are made up of structured learning component. Every year the Blue Crane Route Municipality develops a WSP indicating the skills gaps, training and capacity building programs. This is to ensure that staff members are involved in both skills and learnership programs to build their capacity and enable them to respond to the needs of the community with confidence. In order to achieve this objective the municipality conducts skills audit where all employees complete skills audit questionnaires which gets translated into a skills audit profile of the municipality.

- **Employment Equity**

The Employment Equity Act prescribes that every designated employer must formulate an Employment Equity Plan. This calls for the municipality to develop a policy defining its employment equity practices. The municipality has an existing employment equity policy and plan which is due for review soon as it has been adopted in 2012. The purpose of the employment equity is to achieve equity in the workplace by promoting equal opportunity and fair treatment in employment through elimination of unfair discrimination. Also to implement affirmative action measures to redress the employment disadvantages experienced by designated groups in order to ensure their equitable representation in all occupational categories in the workplace.

- **Dealing with critical and scarce skills**

The municipality is developing a policy to deal with scarce skills and to cover the following fundamental principles:

- To determine the strategic and operational needs of the organization
- Strategies to attract and retain critical expertise in certain fields
- Adhering to the requirements of Employment Equity
- To apply skills transfer

- **Performance management**

The municipality has adopted a performance management system which ensures that quarterly targets are met by the institutions; however, it is only senior management and those officials directly reporting to senior managers who are performance managed. The municipality will cascade the system to the rest of the institution at the beginning of the next financial year. Consultations are undertaken with employee representative on the modalities of implementing the system.

- **Administrative matters**

The Municipality has, with the assistance of the SBDM conducted a Gap Analysis on its records management. This culminated in the strengthening of control measures for the safe guarding of the Municipality's intellectual property and promotion of confidentiality and information reliability. These control measures include restricted access into the records area and stipulated times for closure of the records section during opening and sorting of

mail. Further reforms were introduced in relation to Leave Management, including the development of Standard Operating Procedures. This development will ensure timeous capturing of leave and up-to-date leave records.

- **Occupational Health and Safety**

The municipality has managed to institutionalize Occupational Health and Safety as per requirements of the respective legislation. This has been made possible through, inter-alia, a dedicated Occupational Health and Safety Officer. The major spin offs from this development include the establishment of the Safety committee, training of SHE representatives, establishment of partnerships with Andries Vosloo hospital and prioritization of regular testing and vaccination of employees who are working in high risk areas.

- **Employee Wellness Programs**

The Blue Crane Route Municipality has a commitment to ensure a health, safety and welfare of all employees at work. The municipality adopted the Employee Wellness Program in 2012 with the intention of providing internal and external professional, confidential assistance to employees. The municipality has developed an internal newsletter which will help to provide educational support on various matters affecting employees both in the workplace and at home. A range of sustainable employee wellness programs have been developed for implementation next financial year.

COMMENT ON THE PERFORMANCE OF HUMAN RESOURCE SERVICES OVERALL:

The Section has successfully delivered on significantly improving the audit outcomes and further improved the municipality's risk profile despite inadequate Human Resources.

3.17 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The municipality's Information and communication Technology section is under the corporate services directorate and is led by the ICT manager, who is responsible for overall technology strategy. ICT is one of the key assets of the municipality and is always expected to deliver value. Its major role is to implement IT best practices and to promote good governance within the municipality. ICT governance is the effective and efficient management of ICT resources and processes to facilitate the achievement of municipal goals and objectives.

ICT existence in an organization, is to ensure that an organization achieve sustainable success through use of ICT. Therefore, the primary purpose of Information and communication Technology is to provide Information and Communication Technology services to the Municipality in order the community can be able to receive the best possible services.

The municipality has an ICT steering committee that oversees the IT functionality and investment priorities. The ICT Steering Committee meets regularly to discuss matters of concern, challenges and opportunities relating to IT. This committee assists the council in overseeing the IT related activities.

Monthly reporting in respect of systems downtime (for emails & internet, Printing as a result of hardware or network failure) is reported to the Corporate Services Standing Committee. Back – ups are performed and monitored daily to assist the municipality with business continuity in case in of major disaster.

During this period, it was reported that there were no hardware or network failures causing system downtime. Down time of the server is managed, monitored and reported on if this exceeds 3 hours and is related to hardware and software. Monitoring and maintenance of servers are done regularly.

Information and Communication Technology major focus in 2018/19 financial year:

- 1) Ensure reliable, efficient and effective ICT governance by;
 - Reviewing Information and communication Technology policies
 - Municipal Corporate Governance of Information and communication Technology
 - IT Disaster Recovery Plan and backup procedure
 - Information Technology Disaster Recovery Plan policy
 - Information Technology Program Change Management policy
 - Information Technology Network Security Policy
 - Information Technology data security policy
 - Internet, and Email policy
 - BCRM social Media Policy
 - IT service level Management process and procedure
 - User access Management Policy and Procedure

- Application Patch management policy and procedure
 - Information Technology Server Room Policy
 - Telephone Usage and Cellular Phone Policy
- Development of an ICT Strategy
 - The ICT manager has developed an Information and communication Technology Strategy that will guide ICT investments in the next 5 years. The final draft Strategy will be presented to council in the 2019/20 financial year and the ICT strategy must be aligned to the municipality's IDP. The Strategy will also assist in proper planning of ICT projects that will be addressing ICT challenges.
- 2) Ensure reliable, efficient and effective network infrastructure for communication and connectivity by;
- a. Upgrading of network infrastructure at the following sites
 - i. Townhall and Corporate Services to Optic-fiber,
 - ii. Increase of VPN bandwidth for Community Service, Traffic, New Brighton, Cookhouse, Pearston and Aeroville Satellite offices.
 - b. Upgrading of the Internet from 4MB ADSL to 10MB metrolink

SERVICE STATISTICS FOR ICT SERVICES

Information Technology section oversee support activities daily. These activities range from hardware and software, printing problems, internet & email and printing. A log sheet is used to keep record of these queries and the report is submitted to the Corporate Service standing committee. The log sheet assists to monitor the recurring problems and the turnaround time in resolving the queries.

3.18 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Blue Crane Route Municipality have various properties including immovable and movable properties. There is currently no dedicated section and or unit within the municipality that is responsible for municipal property. The Administration Section of the Corporate Services Department is entrusted with providing caretakers and cleaners for the municipal halls and offices. Technical Services Department is responsible for maintenance of the properties.

Following information regarding property is related to the provision of daily cleaning duties that is provided by Administration Section. /All municipal halls are manned daily by dedicated Caretakers except for Madiba Hall in

Cookhouse (Caretaker went on old age pension and no appointment was made) and Town Hall in Pearston (Caretaker went on old age pension and no appointment was made). The above halls are looked after by other Caretakers. There are Cleaners appointed for the offices.

Lately there have been break ins at the municipal halls which necessitated appointment of Security Companies on monthly basis to prevent further break ins. The municipality is further in the process of appointing security services for three years period. The presence of securities at the properties has led to the decrease in break ins at the identified properties. Local Government operates in a highly legislative environment which is aimed at, inter alia, efficient, effective and transparent provision of basic services to the majority of South Africans in line with constitutional principles. Whilst the approved staff establishment of the Blue Crane Route Municipality allows for a Municipal Legal Advisor for the provisioning of the necessary legal support in the conduct of municipal affairs, the Municipality was still financially unable to fill the position during the 2017/18 financial year. Uninterrupted provision of legal services was ensured directly through the office of the Director: Corporate Services and a team of attorneys who provide relevant legal services from time to time.

To ensure compliance and proper oversight of the legal services function the municipality maintains a litigation register which services as a standing item in its Audit Committee. The Municipality has achieved 100% success in all 10 cases that were handled during the year under review. In most of these success outcomes in favour of the Municipality were awarded with costs. In the ensuing financial year, the Municipality will ensure more fair and equal opportunity in the procurement of legal services, in keeping with the Local Government Municipal Finance Management legislation and counsel from National Treasury.

COMPONENT K: ORGANISATIONAL PERFORMANCE SCORECARD

This component includes: Annual Performance Scorecard Report for the current year. The annexure is attached with the detailed performance information of the municipality for the year under review.

Currently the airport are non-compliant with ICAO standards and also the increase of stray animals on the runway can results in serious accidents .During the month of May 2016 approximately 6 light aircrafts including an 18 seater, other than the 3 aircrafts of the flying school Progress landed at Aeroville airfield please note with the absence of a Rapid intervention foam vehicle and adequate foam supplies any eventuality of a plane crash can result in some major disaster. We as the fire service are not adequately equipment

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

Blue Crane Route Municipality has a total number of 336 permanent employees and a total number of 36 temporary employees. The municipality is having 22 posts that are not funded due to unforeseen circumstances. The turnover rate is 18, 16 employees took early retirement and the other 2 employees resigned due to personal reasons. The municipality prides itself in the low-turnover rate as it is indicative of reasonable levels of staff morale.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The plan of the training unit is to introduce programs that will give access to employment opportunities and to develop a well-designed Workplace Skills Plan that will meet the education, training and employment related needs of target groups

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

In terms of organisational arrangement, the Municipality has a position of Skills Development Facilitator. This is aimed at ensuring continuous identification, introduction and implementation of programs that will give access to employment opportunities and further personal empowerment towards improved service delivery. These objectives are well documented in a workplace skills plan which inter alia seeks to redress employment inequalities.

4.1 POLICIES

The following is the list of policies adopted by the municipality for implementation:

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	0%	11-Jun-16
2	Attraction and Retention	100%	50%	1-Jun-16
3	Code of Conduct for employees	100%	100%	1-Jun-16
4	Delegations, Authorisation & Responsibility	100%	100%	31-Jul-12
5	Disciplinary Code and Procedures	100%	100%	1-Jul-18
6	Essential Services	80%	N/A	N/A
7	Employee Assistance / Wellness	100%	0%	1-Jun-16
8	Employment Equity	0%	0%	N/A
9	Exit Management	100%	0%	1-Jun-16
10	Grievance Procedures	100%	100%	1-Jul-15
11	HIV/Aids	100%	0%	1-Jun-16
12	Human Resource and Development	100%	0%	1-Jun-16
13	Information Technology	100%	100%	31-May-09
14	Job Evaluation	100%	100%	1-Jun-16
15	Leave	100%	100%	1-Jun-16
16	Occupational Health and Safety	100%	0%	1-Jun-16
17	Official Housing	100%	0%	1-Jun-16
18	Official Journeys	100%	100%	1-Jun-16
19	Official transport to attend Funerals	100%	0%	1-Jun-16
20	Official Working Hours and Overtime	100%	0%	1-Jun-16
21	Organisational Rights	100%	100%	1-Jul-15
22	Payroll Deductions	100%	80%	1-Jun-16
23	Performance Management and Development	100%	0%	1-Jun-16
24	Recruitment, Selection and Appointments	100%	0%	1-Jun-16
25	Remuneration Scales and Allowances	100%	0%	1-Jun-16
26	Resettlement	100%	0%	1-Jun-16
27	Sexual Harassment	100%	0%	1-Jun-16
28	Skills Development	100%	0%	1-Jun-16
29	Smoking	100%	0%	1-Jun-16
30	Special Skills	100%	0%	1-Jun-16
31	Work Organisation	100%	0%	1-Jun-16
32	Uniforms and Protective Clothing	100%	0%	1-Jun-16
33	Other:			

Resources policies that are in keeping with Municipal Legislation and Labour Laws. These are underpinned by National Collective Agreement where applicable, Case Law, Legislative Amendments and Relevance in relation to underlying policy objectives. The following developments can be highlighted in relation to the period under review:

Part – review of the Attraction & Retention Policy which will be subject to consultations with all the relevant stakeholders in the ensuing financial year; Complementary measures to existing Code of Conduct through Public Service Charter negotiations led by SALGA;

Negotiations led by the CCMA on Minimum Services Agreement which will see conclusion of the Agreement with Labour in the ensuing financial year. Bi-laterals were conducted in relation to the HR – Payroll value chain and will culminate in the conclusion of Human Resource Payroll Standard Operating Procedure in the ensuing financial year.

4.2 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using sick leave	Average Injury Leave per employee	Total Estimated Cost
	Days	No.	%	Days	R'000
Required basic medical attention only	4	2	50%	1	R 1 387
Temporary total disablement	76	2	3%	15	R 26 346
Permanent disablement	0			0	
Fatal	0			0	
Total	80	4	5%	16	R 27 733

COMMENT ON INJURY AND SICK LEAVE:

The Municipality makes use of the appointed OHS officer to conduct necessary inspections and awareness sessions including ensuring availability of SHE Representatives in various Directorates including functionality of the relevant OHS structures.

Sick leave is strictly monitored. Employee assistance and Rehabilitation Programs are rendered where necessary. All leave statistics are a standing item of the Corporate Services Committee to ensure the necessary oversight on the usage of Sick Leave.

Number and Period of Suspensions				
Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Finalised
Municipal Manager	1. Use of Municipal vehicle without written approval by Mayor; 2. Failure to advise Council about the intention to withhold the tranche of WSIG by DWS; 3. Failure to supply protective clothing to municipal staff 4. Irregular appointment of BG Security	27-Nov-18	The first Disciplinary Hearing has taken place and is continuing. Due to investigation processes as prescribed in the Disciplinary Regulations for Senior Managers, the case could not be finalised sooner.	Not yet finalised
Electrician	Insolence	12-Apr-19	Employee was subjected to Disciplinary Hearing	19-Aug-19
Foreman	Damage to Property	06-May-19	Employee was subjected to Disciplinary Hearing and the matter is still under sub-judice	Not yet finalised

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

A summary of the Financial Performance is contained on the following page. The municipality has budgeted for and has realized a deficit financial outcome. This is mainly because of the cost of depreciation charges that is a non-cash item. However stringent cash flow monitoring must be implemented in order to prevent the municipality being exposed to financial distress.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

EC102 Blue Crane Route - Reconciliation of Table A1 Budget Summary

Description	2017/18						2016/17	
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousands	1	2	3	4	5	6	7	11
Financial Performance								
Property rates	12 254		12 254	12 088	(166)	98,7%	98,7%	11 153
Service charges	120 708	(784)	119 924	114 638	(5 287)	95,6%	95,0%	121 980
Interest earned - external investments	1 001	-	1 001	1 140	139	113,9%	113,9%	1 281
Transfers recognised - operational	53 501	(624)	52 876	52 368	(508)	99,0%	97,9%	51 095
Other own revenue	11 104	(2 880)	8 223	14 331	6 108	174,3%	128,1%	9 539
Total Revenue (excluding capital transfers and	198 568	(4 288)	194 279	194 577	298	100,2%	98,0%	195 028
Employee related costs	78 417	(3 368)	75 049	76 111	1 062	101,4%	97,1%	73 437
Remuneration of councillors	3 714	146	3 859	3 870	11	100,3%	104,2%	3 820
Debt impairment	7 965	-	7 965	8 991	1 026	112,9%	112,9%	13 413
Depreciation & asset impairment	34 449	3 084	37 533	34 512	(3 021)	92,0%	100,2%	34 803
Finance charges	5 708	(1 896)	3 811	1 334	(2 477)	35,0%	23,4%	6 157
Materials and bulk purchases	80 343	11	80 354	74 408	(5 946)	92,6%	92,6%	74 857
Transfers and grants	1 033	605	1 638	1 010	(628)	61,7%	97,8%	911
Other expenditure	27 787	3 985	31 772	28 475	(3 297)	89,7%	102,5%	29 874
Total Expenditure	239 418	2 545	241 961	228 711	(13 250)	94,5%	95,5%	237 292
Surplus/(Deficit)	(40 848)	(6 834)	(47 682)	(34 134)	13 548	71,8%	83,6%	(42 284)
Transfers recognised - capital	31 310	3 192	34 501	31 551	(2 950)	91,4%	100,8%	21 827
Contributions recognised - capital & contributed assets								286
Surplus/(Deficit) after capital transfers & contributions	(9 538)	(3 643)	(13 181)	(2 583)	10 597	19,6%	27,1%	(20 151)
Share of surplus/ (deficit) of associate								
Surplus/(Deficit) for the year	(9 538)	(3 643)	(13 181)	(2 583)	10 597	19,6%	27,1%	(20 151)
Capital expenditure & funds sources								
Capital expenditure								
Transfers recognised - capital	31 310	(1 516)	29 791	27 830	(1 961)	93,4%	88,9%	15 436
Public contributions & donations								
Borrowing	1 500	(255)	1 245	1 240	(5)	99,6%	82,7%	-
Internally generated funds	340	1 286	1 626	568	(1 058)	36,0%	173,0%	1 317
Total sources of capital funds	33 150	(479)	32 671	29 638	(3 033)	90,8%	89,5%	16 752
Cash flows								
Net cash from (used) operating	29 713	(11 327)	18 387	26 756	8 369	145,5%	90,0%	13 542
Net cash from (used) investing	(27 212)	(1 608)	(28 820)	(29 521)	(701)	102,4%	108,5%	(16 054)
Net cash from (used) financing	(3 285)	(3 888)	(7 173)	(2 841)	332	75,6%	89,5%	(4 672)
Cash/cash equivalents at the year end	216	(6 564)	(7 348)	1 223	8 615	-16,9%	566,0%	8 929

EC102 Blue Crane Route - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Expenditure (Revenue and Expenditure by statistical classification)											
R thousand	Description	2017/18							2016/17		
		Original Budget	Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorized expenditure	Variance of Actual Outcome against Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome	
		1	2	3	4	5	6	7	8	12	
	Revenue - Standard										
	<i>Governance and administration</i>										
	Executive and council	69 822	(4 170)	64 652	53 980		9 500	96,8%	91,8%	41 034	
	Finance and Administration	20 754	139	20 894	20 808		(11 615)	44,4%	44,7%	20 330	
	Corporate services	38 068	(4 309)	33 759	33 072		21 115	162,5%	144,1%	18 312	
	Internal Audit	-	-	-	-		-	-	-	2 392	
	<i>Community and public safety</i>										
	Community and social services	4 513	443	4 956	4 048		3 711	81,7%	89,7%	6 204	
	Sport and recreation	2 538	(26)	2 510	2 395		4 505	279,5%	276,4%	2 576	
	Public safety	120	10	130	101		(28)	77,4%	83,8%	-	
	Housing	948	612	1 560	793		(767)	50,9%	83,7%	2 486	
	Health	907	(150)	756	758		2	100,3%	83,6%	1 142	
	<i>Economic and environmental services</i>										
	Planning and development	3 481	(454)	3 027	2 434		(593)	80,4%	89,9%	20 558	
	Road transport	700	-	700	12		(688)	1,7%	1,7%	125	
	Environmental protection	2 781	(454)	2 327	2 422		95	104,1%	87,1%	20 434	
	<i>Trading services</i>										
	Energy sources	163 061	3 084	166 144	165 666		(479)	99,7%	101,6%	149 317	
	Water management	103 664	2 157	105 820	102 427		(3 393)	96,8%	98,8%	107 157	
	Waste water management	37 268	(15 906)	21 362	36 814		15 451	172,3%	96,8%	21 389	
	Waste management	10 967	16 978	27 946	10 897		(17 048)	39,0%	99,4%	10 402	
	Other	11 182	(146)	11 016	15 528		4 512	141,0%	139,1%	10 369	
	Total Revenue - Standard	229 878	(1 097)	228 780	228 128		12 139	98,8%	98,4%	217 113	
	Expenditure - Standard										
	<i>Governance and administration</i>										
	Executive and council	66 913	(885)	65 028	65 453	(18)	(484)	99,3%	97,8%	53 920	
	Finance and administration	10 158	(344)	9 813	9 278		(535)	94,5%	91,3%	9 656	
	Corporate services	55 329	(497)	54 833	54 873		41	100,1%	99,2%	27 152	
	Internal Audit	1 426	(144)	1 282	1 301	(18)	-	-	-	17 111	
	<i>Community and public safety</i>										
	Community and social services	11 260	90	11 370	10 882		(488)	95,7%	96,5%	15 819	
	Sport and recreation	7 209	29	7 238	7 015		(222)	96,9%	97,3%	9 741	
	Public safety	892	(44)	948	932		(16)	98,3%	83,9%	-	
	Housing	2 406	119	2 525	2 376		(149)	94,1%	96,7%	5 181	
	Health	673	(14)	659	559		(100)	84,8%	83,0%	897	
	<i>Economic and environmental services</i>										
	Planning and development	21 198	(1 763)	19 436	15 368	-	(4 068)	76,1%	72,5%	19 616	
	Road transport	2 876	(244)	2 633	1 934		(699)	73,5%	67,2%	2 968	
	Environmental protection	18 322	(1 519)	16 803	13 434		(3 369)	80,0%	73,3%	16 648	
	<i>Trading services</i>										
	Energy Source	140 024	5 203	145 227	137 006	(993)	(8 219)	94,3%	97,8%	147 910	
	Water management	97 010	1 945	98 954	92 115		(6 840)	93,1%	95,0%	99 217	
	Waste water management	17 217	159	17 376	18 369	(993)	993	105,7%	108,7%	20 751	
	Waste management	9 624	1 365	10 989	10 642		(348)	96,8%	110,6%	10 490	
	Other	16 174	1 734	17 908	15 883		(2 024)	88,7%	96,2%	17 452	
	Total Expenditure - Standard	239 416	2 545	241 961	228 711	(1 011)	(13 269)	94,5%	95,5%	237 265	
	Surplus/(Deficit) for the year	(9 538)	(3 643)	(13 181)	(2 583)	10 987	25 408	19,6%	27,1%	(20 151)	

The Municipality realized a deficit of R2.5million in the 2017/18 financial year against R20million deficit in 2016/17. The total actual expenditure was R228million (94.5% of budget) and the total actual revenue an amount of R226million (98.8% of budget). The main reason for these deficits is the cost of depreciation of R34.5million which the municipality did not budget for to be financed from revenue. The other biggest cost components for 2017/18 financial year, was the personnel cost of R76.7million (33% of the total expenditure) and Bulk Purchases of electricity and water of R71.8million (31% of the total expenditure).

On the Income side, the biggest income source was the Service charges of R114.6million (51% of the total income) and the Government grants of R83.9million (37% of the total income). The Municipality debt impairment was R8.9million and that indicates an average pay rate from the consumers of 91% for the year. The Municipality budgeted for a pay rate of 92% which was very much in line with the actual result. Property rates income was an amount of R12.1million which is only 5% of the Municipality's total income.

COMMENT ON VARIANCES ABOVE 10%.

Reasons for variances of 10% and more between the actual amounts and the budget for 2017/18 financial year can be seen on note 53 of the attached annual financial statements.

5.2 GRANTS

COMMENT ON OPERATING TRANSFERS AND GRANTS:

The Municipality largest grant allocation was the unconditional grant allocation of Equitable share for an amount of R45.7million which was only R987 000 more than 2016/17 financial year which was only a 2.2% increase. This was one of the reasons why the Municipality had cash flow constraints in the 2017/18 financial year. The Municipality also received the Finance Management Grant as in previous years of R1.7m and the Library grant of R2.3million. An amount of R1m was also received for the Expanded Public Works Programme (EPWP) and all the grants were fully spent.

Grant Performance						
R' 000						
Description	Year 2016/2017	Year 2017/2018			Year 2017/2018 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	46 338	47 400	47 400	47 400		
Equitable share	44 713	45 700	45 700	45 700	0,00%	0,00%
Finance Management Grant	1 625	1 700	1 700	1 700	0,00%	0,00%
EPWP	1 000	1 000	1 000	1 000		
Provincial Government:	2 300	2 300	2 300	2 300		
Sports and Recreation	2 300	2 300	2 300	2 300	0,00%	0,00%
District Municipality:	853	904	751	751		
Environmental Health	853	904	751	751	-1692,48%	-1692,48%
Other grant providers:	-	-	-	-		
Total Operating Transfers and Grants	49 491	50 604	50 451	50 451		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						
Full list of provincial and national grants available from published gazettes.						
T 5.2.1						

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

The asset base of the Municipality is integral to the Municipality's ability to provide services to the community in terms of its constitutional Mandate such as the provision of water, electricity, sanitation and maintenance of roads. It is the duty of the Municipality in terms of its asset management policy to ensure that assets are safeguarded and maintained so that they are operating in the manner intended for its use and are not unproductive or idle. Assets that are unproductive, idle or not operating in the manner intended or to sufficient capacity are assessed on an ongoing basis for impairment and written off and replaced if where applicable.

COMMENT ON ASSET MANAGEMENT:

The Municipality assets are managed through an asset register for infrastructure, land and buildings, investment properties and moveable assets. All moveable assets are verified during the year and the life spans adjusted if it is found that the assets are not properly maintained or not in good working condition. Assets are also insured on an annual basis and the value of all assets are adjusted in the insurance renewal policy each year to match the replacement values. The value of the assets in the Annual Financial statements is according to their original cost less accumulated depreciation.

Repair and Maintenance Expenditure: Year 2017/18				
R' 000				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	3709	3220	2539	32%
T 5.3.4				

COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

The Municipality has only spent a very small percentage of its operating budget on repairs and maintenance, this is because of the operating budget not generated enough surplus to do proper maintenance.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

COMMENT ON FINANCIAL RATIOS:

	2018/2019	2016/2017
Liquidity	0.85%	0.95%
Total Outstanding Consumer Debtors	74%	59%
Total Finance Charges to Operating Expenditure	0.58%	2.6%
Employee Cost	33%	30.8%
Repairs & Maintenance	1.0%	1.2%
Capital Expenditure	91%	81%
Operating Expenditure	94.5%	101.6%
Grants Income	37%	35%

COMMENT ON FINANCIAL RATIOS

The municipality performed better on its capital expenditure than the previous financial year. The operating expenditure was spent according to the budget but lessor debt impairment than budgeted resulted in "under expenditure". The municipality is still mostly dependent on grant income of 37%. Employee cost increased from 30% to 33% because of vacancies filled during the year.

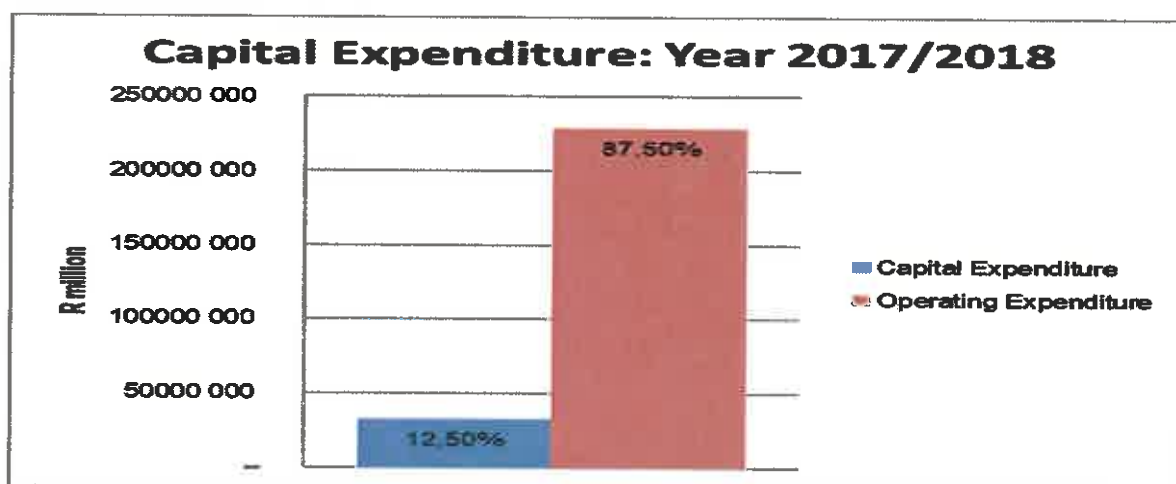
COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and Municipal own funds/surpluses. Component B deals with capital spending indicating where the funding comes from and whether the municipality is able to spend the available funding as planned.

5.5 CAPITAL EXPENDITURE

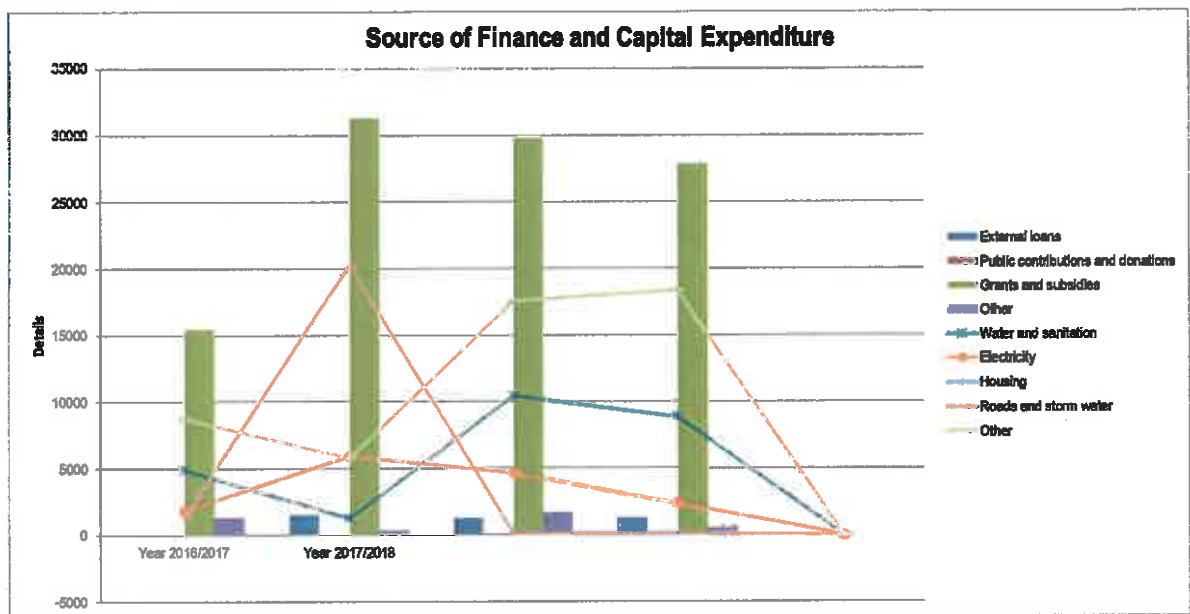
The graph below depicts the ratio between Capital and Operating budgets as percentages of the total expenditure budget. The municipality is severely constrained with its Capital Budget as there are no cash surpluses to fund Capital Expenditure. The municipality is therefore largely dependent on Grant funding.



5.6 SOURCES OF FINANCE

COMMENT ON SOURCES OF FUNDING:

The Municipality did not take up any more external loans for capital expenditure during 2017/18. Only a finance lease of R1.240m for photo copy machines. All other Capital funding came from Government grants (R27.8million) and own funding of R0.588million. A percentage of 92% of the funding was utilized on Infrastructure upgrading.



Capital Expenditure - Funding Sources: Year 2016/2017 to Year 2017/2018						
R' 000						
Details	Year 2016/2017	Year 2017/2018				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans		1500	1245	1240	-17,00%	-17,33%
Public contributions and donations						
Grants and subsidies	15435	31310	29791	27830	-4,85%	-11,11%
Other	1317	340	1636	588	381,18%	72,94%
Total	16752	33150	32672	29658	359,32%	44,49%
Percentage of finance						
External loans	0,0%	4,5%	3,8%	4,2%	-4,7%	-39,0%
Public contributions and donations						
Grants and subsidies	92,1%	94,4%	91,2%	93,8%	-1,4%	-25,0%
Other	7,9%	1,0%	5,0%	2,0%	106,1%	163,9%
Capital expenditure						
Water and sanitation	4892	1250	10435	8899	734,80%	611,92%
Electricity	1792	5900	4601	2348	-22,02%	-60,20%
Housing						
Roads and storm water	1322	20242	71	57	-99,65%	-99,72%
Other	8746	5758	17565	18354	205,05%	218,76%
Total	16752	33150	32672	29658	818,19%	670,75%
Percentage of expenditure						
Water and sanitation	29,2%	3,8%	31,9%	30,0%	747,01%	695,74%
Electricity	10,7%	17,8%	14,1%	7,9%	-20,88%	-55,52%
Housing						
Roads and storm water	7,9%	61,1%	0,2%	0,2%	-99,64%	-99,69%
Other	52,2%	17,4%	53,8%	61,9%	209,52%	256,29%
T 5.6.1						

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

COMMENT ON CAPITAL PROJECTS:

The municipality performed better in the 2017/18 year as the Capital expenditure performance increased from 81% in the 2016/17 year to 91% in the current year. The municipality adjusted the budget downwards from R 33.1 million to R 32.6 million in February 2018. Mainly because of the VAT portion on grants taken out from capital expenditure.

Capital Expenditure of 5 largest projects*					
R' 000					
Name of Project	Current: Year 2017/2018			Variance: Current Year 2017/2018	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
Upgrade of roads paving	6 771	8 231	9 792	-45%	-22%
Cookhouse WWTW	17 000	15 279	14 986	12%	10%
Electricity upgrade	90	2 918	1 859	-1966%	-3142%
Photo Copy Machines	1 500	1 245	1 240		
Multipurpose centre	4 500	500	0	100%	89%
* Projects with the highest capital expenditure in Year 0					
Somerset East WWTW					
Objective of Project	Paving of roads under the MIG budget				
Delays					
Future Challenges					
Anticipated citizen benefits					
Cookhouse WWTW					
Objective of Project	To provide sewerage treatment to the Cook House area				
Delays					
Future Challenges					
Anticipated citizen benefits					
Electricity upgrade					
Objective of Project	To Upgrade the electricity network in the rural areas of the Municipal area				
Delays					
Future Challenges					
Anticipated citizen benefits					
DR Server for mSCOA					
Objective of Project	Finance lease taken up for 19 photo copy machines				
Delays					
Future Challenges					
Anticipated citizen benefits					
Sporting Facilities - Cookhouse	Building of multi purpose centre				
Objective of Project					
Delays					
Future Challenges					
Anticipated citizen benefits					
T 5.7.1					

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

INTRODUCTION TO BASIC SERVICE AND INFRASTRUCTURE BACKLOGS

The Blue Crane Route Municipality depends for the most part on Grant Allocation to eradicate its backlog effectively. However, the municipality does set out an annual budget to deal with backlogs. The Department of Human Settlements has a programme of eradicating bucket system in Municipalities around the country. The BCRM has formed part of that programme aim at eradicating bucket system in the formal settlement. The Department has however indicated that this is a first phase and the next phase will look into eradicating bucket

system in the informal settlement and the phase after that will look into eradicating septic tanks. The aim of the whole exercise is to provide/ connect communities to water borne system.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW

COMMENT ON CASH FLOW OUTCOMES:

The Municipality's cash balance at 30 June 2018 was an amount of R1.2m which has decreased from last year's R6.9m. The main reason for this is that all DORA conditional grants were fully spent, and no creditors were outstanding of grants expenditure at year end. The Cash balance at year end is also sometimes misleading because a large group of creditors is paid in the following month depending on the invoices received late and also one of the reasons for the cash flow balance to decrease from 30 June 2017 to 30 June 2018. However, the Municipality should seriously look to have a fully cash backed budget in the 2018/19 financial year and the years following that.

EC102 Blue Crane Route - Reconciliation of Table A7 Budgeted Cash Flows

Description	2017/18							2016/17
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	132 748	8 253	141 000	116 695	(24 305)	82,8%	87,9%	114 820
Government - operating	52 111	(1 231)	50 880	50 962	82	100,2%	97,8%	52 798
Government - capital	30 771	-	30 771	30 742	(29)	99,9%	99,9%	17 983
Interest	3 390	(2 420)	970	1 127	157	116,2%	33,2%	1 251
Dividends			-		-			
Payments								
Suppliers and employees	(186 765)	(16 765)	(203 530)	(170 704)	32 826	83,9%	91,4%	(171 609)
Finance charges	(1 508)	504	(1 005)	(1 057)	(53)	105,2%	70,1%	(1 700)
Transfers and Grants	(1 033)	333	(700)	(1 010)	(310)	144,3%		
NET CASH FROM/(USED) OPERATING ACTIVITIES	29 713	(11 327)	18 387	26 756	8 369	145,5%	90,0%	13 542
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	70	70	140	134	(6)	95,8%	191,7%	408
Decrease (increase) in non-current debtors			-	3	3			3
Decrease (increase) other non-current receivables			-		-			
Decrease (increase) in non-current investments			-		-			
Payments								
Capital assets	(27 282)	(1 678)	(28 960)	(29 658)	(698)	102,4%	108,7%	(16 466)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(27 212)	(1 608)	(28 820)	(29 521)	(701)	102,4%	108,5%	(16 054)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans			-		-			
Borrowing long term/refinancing			-	1 460	1 460			
Increase (decrease) in consumer deposits	225	(2)	223	158	(65)	70,8%		(42)
Payments								
Repayment of borrowing	(3 510)	(601)	(4 111)	(4 559)	(448)	110,9%	129,9%	(4 630)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(3 285)	(603)	(3 888)	(2 944)	947	75,6%	89,5%	(4 672)
NET INCREASE/ (DECREASE) IN CASH HELD	(784)	(13 538)	(14 322)	(5 706)				(7 184)
Cash/cash equivalents at the year begin:	1 000	5 929	6 929	6 929				14 113
Cash/cash equivalents at the year end:	216	(8 584)	(7 393)	1 223	8 615	-16,5%	566,0%	6 929

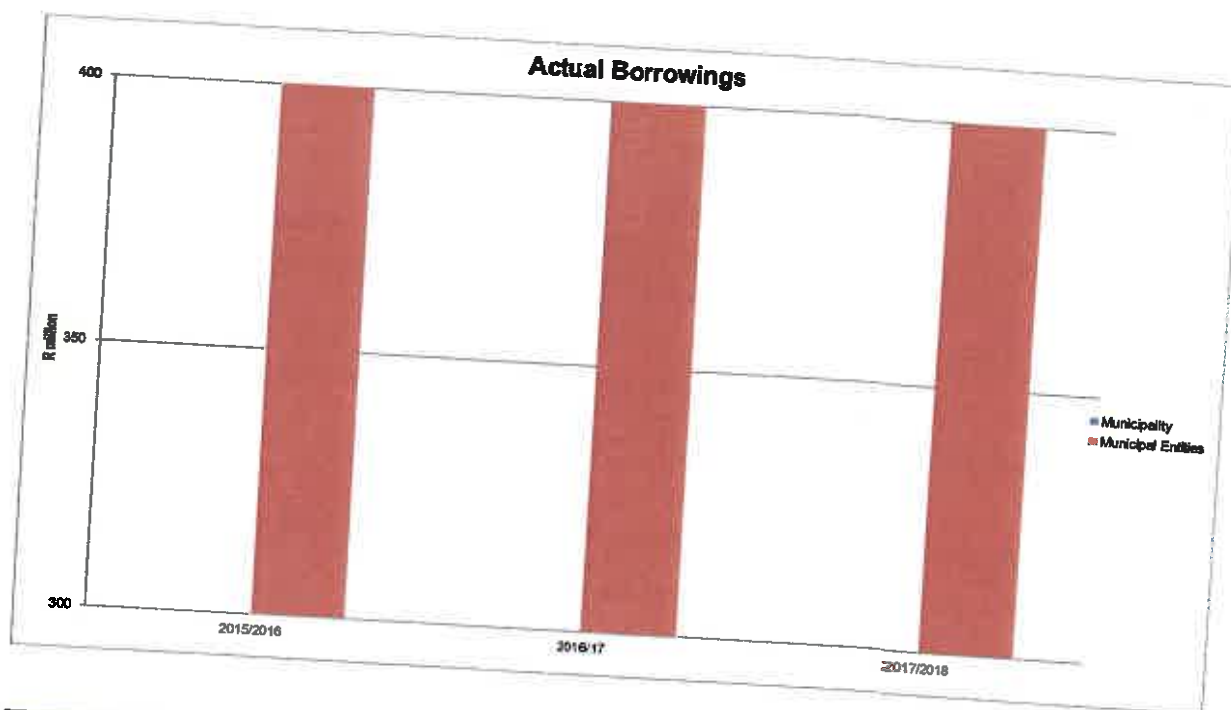
5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

The municipality has considerably increased the size of its debt book over the past 5 years mainly due to the replacement of fleet and the R13 million loan required to accelerate MIG expenditure. The municipality could not settle the R13m loan in 2016/17 as per budget due to cash flow constraints. The balance of this loan from ABSA Bank was an amount of R5.9m at year end. The total balance of all external loans at 30 June 2018 was an amount of R8.1m and for finance leases, R2.6m.

The municipality invests surplus cash in accordance with the approved Investment policy.

Actual Borrowings: Year 2015/2016 to 2017/2018			
	R' 000		
Instrument	2015/2016	2016/17	2017/2018
Municipality			
Long-Term Loans (annuity/reducing balance)	14243	11363	8183
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases	4488	2288	2646
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Municipality Total	18 731	13 651	10 829
Municipal Entities			
Long-Term Loans (annuity/reducing balance)			
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Entities Total	0	0	0
T 5.10.2			



Municipal and Entity Investments			
Investment* type	2015/2016	2016/2017	R' 000 2017/2018
	Actual	Actual	Actual
Municipality			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners	11118	3460	156
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other			
Municipality sub-total	11118	3460	156
Municipal Entities			
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank			
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Other			
Entities sub-total	0	0	0
Consolidated total:	11118	3460	156

T 5.10.4

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

The Blue Crane Route Municipality has a Supply Chain Management Unit as reflected in the Financial Services Organogram. The Supply Chain Management (SCM) is up and running within the BCRM and strict control measures are in place according to the MFMA, SCM Regulations, MFMA Circulars and the BCRM SCM Policy. There are eight (8) posts within the Supply Chain Management Unit; they have been filled except for the Accountant: Supply Chain Management, and the Fleet Officer

The following three (3) Bid Committees have been established and has the relevant meetings when tenders/bids, etc. are placed as per MFMA and Supply Chain Regulations:

- 1) Specification Bid Committee
- 2) Evaluation Bid Committee
- 3) Adjudication Bid Committee

The Supply Chain Management Policy that was adopted and implemented by the Sarah Baartman District Municipality (SBDM) has been adopted by the Blue Crane Route Municipality (BCRM) after the relevant changes were made to comply with the Blue Crane Route Municipality's requirements, keeping the SCM regulations in mind. The policy has been reviewed in the 2018/19 financial year. The municipality has also developed the SCM Policy on Infrastructure Procurement and Delivery Management and Contract Management which were approved on 30 June 2017. Reports on the implementation of the SCM policy are submitted quarterly to the Accounting Officer; the Mayor; and Council. The SCM Annual report on the implementation of the SCM policy for the 2018/19 financial year was submitted to the Accounting Officer; Mayor and the Council.

Vendor performance is regularly monitored with the help of Project Manager/ End Users. Tax matters for all transactions above R15 000 were confirmed to be in order through the Central Supplier Database. The municipality has a functional Bid Committee system. Challenges were experienced during the year leading to delays in the procurement of some service delivery projects. There were tenders that had to be re-advertised due to non-responsiveness of bidders and also contract management is also one of the issues that have been highlighted by the Auditor General. Transformation to proactiveness of the unit is one of the improvements that the municipality is working on.

5.12 GRAP COMPLIANCE

The Annual Financial Statements of the Municipality are GRAP compliance. GRAP is the acronym for Generally Recognized Accounting Practice and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP is needed to enable National Treasury to assess the pace of progress and consider the implications. mSCOA stands for "Municipal standard chart of accounts" and provides a uniform and standardised financial transaction classification framework. Essentially this means that mSCOA prescribes the method (the how) and format (the look) that municipalities and their entities should use to record and classify all expenditure (capital and operating), revenue, assets, liabilities, equity, policy outcomes and legislative reporting. mSCOA is a "proudly South African" project researched by National Treasury based on municipal practices, reporting outcomes, policy implementation and review, etc.

The 2018/19 financial year was the implementation year for mSCOA and the Municipality did successfully implement these standards. However, there is still challenges that the Municipality must address in 2019/20.

